

August 09, 2023

The Manager, Listing Department, BSE Limited, Phiroze Jeejeebhoy Tower, Dalal Street, Mumbai 400 001 Tel No.: 22721233 Fax No.: 22723719/22723121/22722037 BSE Scrip Code: 542773	The Manager, Listing Department, The National Stock Exchange of India Ltd., Exchange Plaza, 5 Floor, Plot C/1, G Block, Bandra - Kurla Complex, Bandra (E), Mumbai 400 051 Tel No.: 2659 8235 Fax No.: 26598237 NSE Symbol: IIFLSEC
--	--

Sub: Notice of the 28th Annual General Meeting and Annual Report for FY 2022-23

Dear Sir/Madam,

Pursuant to the provisions of Regulation 34 read with Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the following;

- a) Notice of the 28th Annual General Meeting (“AGM”) of the Company scheduled to be held on Thursday, August 31, 2023 at 11:00 a.m. IST through Video Conferencing (“VC”)/ Other Audio Visual Means (“OAVM”);
- b) Annual Report (including Business Responsibility and Sustainability Report) for FY 2022-23

The Notice of the 28th AGM and Annual Report for FY 2022-23 is also uploaded on the Company’s website at <https://www.indiaonline.com/securities/financials.php> and also on the website of CDSL at www.evotingindia.com.

Kindly take the same on record and oblige.

Thanking You,
Yours faithfully,
For IIFL Securities Limited

Meghal Shah
Company Secretary

IIFL Securities Limited

Corporate Identity Number: **L99999MH1996PLC132983**

Regd. Office: IIFL House, Sun Infotech Park, Road No. 16V, Plot No. B-23, MIDC, Thane Industrial Area, Wagle Estate, Thane - 400 604

Tel: (91-22) 3929 4000/ 4103 5000 • Fax: (91-22) 2580 6654 • E-mail: secretarial@iifl.com • Website: www.iiflsecurities.com



IIFL Securities Limited
CIN: L99999MH1996PLC132983

Regd. Office: IIFL House, Sun Infotech Park, Road No. 16V, Plot No. B-23, MIDC,
Thane Industrial Area, Wagle Estate, Thane - 400 604
Tel: (91-22) 62727000 • Fax: (91-22) 2580 6654
E-mail: secretarial@iifl.com • Website: www.iiflsecurities.com

Notice

NOTICE IS HEREBY GIVEN THAT THE TWENTY EIGHTH ANNUAL GENERAL MEETING OF THE MEMBERS OF IIFL SECURITIES LIMITED WILL BE HELD ON THURSDAY, AUGUST 31, 2023, AT 11.00 A.M. THROUGH VIDEO CONFERENCING ("VC")/OTHER AUDIO VISUAL MEANS ("OAVM") TO TRANSACT THE FOLLOWING BUSINESS:-

ORDINARY BUSINESS:

Item No. 1

To receive, consider and adopt:

- a. The audited standalone financial statement(s) of the Company for the financial year ended March 31, 2023, together with the reports of the Board of Directors and Auditors thereon; and

"RESOLVED THAT the Audited Standalone financial statement(s) of the Company for the Financial Year ended March 31, 2023 along with the reports of the Board of Directors and Auditors thereon, be and are hereby received, considered and adopted."

- b. The audited consolidated financial statement(s) of the Company for the financial year ended March 31, 2023, together with Auditors report thereon.

"RESOLVED THAT the Audited Consolidated financial statement(s) of the Company for the Financial Year ended March 31, 2023 along with the reports of the Auditors thereon, be and are hereby received, considered and adopted."

Item No. 2

To appoint a Director in place of Mr. Narendra Jain (DIN: 01984467), who retires by rotation and being eligible, offers himself for re-appointment:

"RESOLVED THAT pursuant to the provisions of Section 152 (6) of the Companies Act, 2013 read with Articles of Association of the Company and other applicable provisions, if any, of the Companies Act, 2013, Mr. Narendra Jain (DIN: 01984467), who retires by rotation at this meeting and being eligible for re-appointment, be and is hereby re-appointed as the Director of the Company, liable to retire by rotation."

SPECIAL BUSINESS:

Item No. 3

To approve sale/disposal of asset(s) of the material subsidiary and in this regard, to consider and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Regulation 24 and other applicable Regulations, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter called "SEBI Listing Regulations") and subject to requisite statutory/regulatory approvals, if any, as may be required, consent of the Members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "Board", which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute) to sale or dispose off assets of the material subsidiary amounting to more than 20% of the assets of the material subsidiary, to buyers/third-parties through various modes including by way of asset sale or through other contractual arrangements, for any purpose in connection with the business activities of the subsidiary, in one or more tranches, on such terms and conditions and in such manner as the Board may deem fit in the best interest of the Company;

RESOLVED FURTHER THAT the Board of Directors and/or Chief Financial Officer and/or Company Secretary of the Company be and is hereby authorised to do all such acts, deeds, matters and things including but not limited to deciding on the timing, manner and extent of carrying out the aforesaid activities and to negotiate, finalise and execute agreement(s), such other document(s), by whatever name called and to do all acts, matters and things as may be necessary in this regard and to settle any questions or difficulties that may arise in this regard and incidental thereto, without being required to seek any further consent or approval of the Members and to delegate all or any of the powers or authorities herein conferred to any Director(s) or other Officer(s) of the Company, or to engage any advisor, consultant, agent or intermediary, as may be deemed necessary."

Item No. 4

To approve material related party transactions with IIFL Finance Limited and in this regard, to consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Regulation 23(4) and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and other applicable provisions of the Companies Act, 2013 and Rules made there under and any statutory modifications, amendments, variations or re-enactments thereof and the Company's Policy on Related Party Transactions and on the basis of the approval of the Audit Committee and recommendation of the Board of Directors of the Company, the consent and approval of the Members be and is hereby accorded to the Board of Directors (“the Board” which term shall be deemed to include a Committee of the Board) for entering into transaction(s)/contract(s)/arrangement(s)/agreements or modification(s) thereto with IIFL Finance Limited, being a Related Party as per SEBI Listing Regulations, in terms and conditions as mentioned in the explanatory statement annexed to this Notice, PROVIDED HOWEVER THAT the said transaction(s)/contract(s)/arrangement(s)/agreements or modification(s) shall be carried out at arm's length basis and in the ordinary course of business of the Company from 28th Annual General Meeting (AGM) of the Company till the 29th AGM of the Company, for a period not exceeding fifteen months;

RESOLVED FURTHER THAT the Members of the Company do hereby approve and accord approval to the Board, to sign and execute all such documents, deeds and writings, including filing the said documents, etc. and do all such acts, deeds and things and take necessary steps as the Board may in its absolute discretion deem necessary, desirable or expedient to give effect to this resolution and to settle any question that may arise in this regard and incidental thereto, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution;

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred, to any Director(s), Chief Financial Officer, Company Secretary or any other Officer(s) / Authorized Representative(s) of the Company, to do all such acts and take such steps, as may be considered necessary or expedient, to give effect to the aforesaid resolution(s);

RESOLVED FURTHER THAT all actions to be taken by the Board in this regard be and hereby approved and confirmed in all respects.”

Item No. 5

To approve material related party transactions with IIFL Home Finance Limited and in this regard, to consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Regulation 23(4) and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and other applicable provisions of the Companies Act, 2013 and Rules made there under and any statutory modifications, amendments, variations or re-enactments thereof and the Company's Policy on Related Party Transactions and on the basis of the approval of the Audit Committee and recommendation of the Board of Directors of the Company, the consent and approval of the Members be and is hereby accorded to the Board of Directors (“the Board” which term shall be deemed to include a Committee of the Board) for entering into transaction(s)/contract(s)/arrangement(s)/agreements or modification(s) thereto with IIFL Home Finance Limited, being a Related Party as per SEBI Listing Regulations, in terms and conditions as mentioned in the explanatory statement annexed to this Notice, PROVIDED HOWEVER THAT the said transaction(s)/contract(s)/arrangement(s)/agreements or modification(s) shall be carried out at arm's length basis and in the ordinary course of business of the Company from 28th Annual General Meeting (AGM) of the Company till the 29th AGM of the Company, for a period not exceeding fifteen months;

RESOLVED FURTHER THAT the Members of the Company do hereby approve and accord approval to the Board, to sign and execute all such documents, deeds and writings, including filing the said documents, etc. and do all such acts, deeds and things and take necessary steps as the Board may in its absolute discretion deem necessary, desirable or expedient to give effect to this resolution and to settle any question that may arise in this regard and incidental thereto, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution;

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred, to any Director(s), Chief Financial Officer, Company Secretary or any other Officer(s) / Authorized Representative(s) of the Company, to do all such acts and take such steps, as may be considered necessary or expedient, to give effect to the aforesaid resolution(s);

RESOLVED FURTHER THAT all actions to be taken by the Board in this regard be and hereby approved and confirmed in all respects.”

Item No. 6

To approve material related party transactions between IIFL Facilities Services Limited, a wholly owned subsidiary company, with IIFL Finance Limited, and in this regard, to consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Regulation 23(4) and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and other applicable provisions of the Companies Act, 2013 and Rules made there under and any statutory modifications, amendments, variations or re-enactments thereof and the Company’s Policy on Related Party Transactions and on the basis of the approval of the Audit Committee and recommendation of the Board of Directors of the Company, the consent and approval of the Members be and is hereby accorded to the Board of Directors (“the Board” which term shall be deemed to include a Committee of the Board) for transaction(s)/contract(s)/arrangement(s)/agreements or modification(s) thereto, to be entered between IIFL Facilities Services Limited, a wholly owned subsidiary company, with IIFL Finance Limited, being a Related Party as per SEBI Listing Regulations, in terms and conditions as mentioned in the explanatory statement annexed to this Notice, PROVIDED HOWEVER THAT the said transaction(s)/contract(s)/arrangement(s)/agreements or modification(s) shall be carried out at arm’s length basis and in the ordinary course of business of the company from 28th Annual General Meeting (AGM) of the Company till the 29th AGM of the Company, for a period not exceeding fifteen months;

RESOLVED FURTHER THAT the Members of the Company do hereby approve and accord approval to the Board, to sign and execute all such documents, deeds and writings, including filing the said documents, etc. and do all such acts, deeds and things and take necessary steps as the Board may in its absolute discretion deem necessary, desirable or expedient to give effect to this resolution and to settle any question that may arise in this regard and incidental thereto, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution;

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred, to any Director(s), Chief Financial Officer, Company Secretary or any other Officer(s) / Authorized Representative(s) of the Company, to do all such acts and take such steps, as may be considered necessary or expedient, to give effect to the aforesaid resolution(s);

RESOLVED FURTHER THAT all actions to be taken by the Board in this regard be and hereby approved and confirmed in all respects.”

Item No. 7

To approve material related party transactions between IIFL Management Services Limited, a wholly owned subsidiary company, with IIFL Finance Limited, and in this regard, to consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Regulation 23(4) and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and other applicable provisions of the Companies Act, 2013 and Rules made there under and any statutory modifications, amendments, variations or re-enactments thereof and the Company’s Policy on Related Party Transactions and on the basis of the approval of the Audit Committee and recommendation of the Board of Directors of the Company, the consent and approval of the Members be and is hereby accorded to the Board of Directors (“the Board” which term shall be deemed to include a Committee of the Board) for transaction(s)/contract(s)/arrangement(s)/agreements or modification(s) thereto, to be entered between IIFL Management Services Limited, a wholly owned subsidiary company, with IIFL Finance Limited, being a Related Party as per SEBI Listing Regulations, in terms and conditions as mentioned in the explanatory statement annexed to this Notice, PROVIDED HOWEVER THAT the said transaction(s)/contract(s)/arrangement(s)/agreements or modification(s) shall be carried out at arm’s length basis and in the ordinary course of business of the company from 28th Annual General Meeting (AGM) of the Company till the 29th AGM of the Company, for a period not exceeding fifteen months;

RESOLVED FURTHER THAT the Members of the Company do hereby approve and accord approval to the Board, to sign and execute all such documents, deeds and writings, including filing the said documents, etc. and do all such acts, deeds and things and take necessary steps as the Board may in its absolute discretion deem necessary, desirable or expedient to give effect to this resolution and to settle any question that may arise in this regard and incidental thereto, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution;

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred, to any Director(s), Chief Financial Officer, Company Secretary or any other Officer(s) / Authorized Representative(s) of the Company, to do all such acts and take such steps, as may be considered necessary or expedient, to give effect to the aforesaid resolution(s);

RESOLVED FURTHER THAT all actions to be taken by the Board in this regard be and hereby approved and confirmed in all respects.”

Item No. 8

To approve offer or invitation to subscribe to the Non-Convertible Debentures on private placement basis and in this regard, to consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 42, 71 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and subject to the provisions of the Articles of Association of the Company and Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, and other applicable regulations as may be amended and applicable from time to time, approval of the members be and is hereby accorded to the Board of Directors of the Company to offer or invite subscriptions for secured/unsecured redeemable non-convertible debentures, in one or more series/tranches, upto ₹ 500 crores (Rupees Five Hundred crores only), on private placement, from such persons and on such terms and conditions as the Board of Directors of the Company may, from time to time, determine and consider

proper and more beneficial to the Company including, without limitation, as to when the said Debentures are to be issued, the consideration for the issue, mode of payment, coupon rate, redemption period, utilisation of the issue proceeds and all matters connected therewith or incidental thereto;

RESOLVED FURTHER THAT the Board of Directors of the Company and/or its duly constituted committee be and is hereby authorised to do all acts, deeds, things and to take all such steps as may be necessary, proper or expedient to give effect to aforesaid resolution.”

By Order of the Board of Directors

Date: April 24, 2023
Place: Mumbai

Meghal Shah
Company Secretary
ACS- 53569

Regd. Office:
IIFL House, Sun Infotech Park,
Road No. 16V, Plot No. B-23, MIDC,
Thane Industrial Area, Wagle Estate,
Thane - 400 604
Email - secretarial@iifl.com

Notes:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("the Act") setting out the material facts in respect of the Special Business and the relevant details as required under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter called "SEBI Listing Regulations") and Secretarial Standard on General Meeting (SS-2) with respect to Director seeking re-appointment at this Annual General Meeting ("AGM") are annexed hereto.
2. The Ministry of Corporate Affairs ("MCA"), Vide General Circular No. 14/2020 dated April 8, 2020, General Circular No.17/2020 dated April 13, 2020, General Circular No. 20/2020 dated May 05, 2020, General Circular No. 02/2021 dated January 13, 2021, General Circular No. 19/2021 dated December 08, 2021, General Circular No. 21/2021 dated December 14, 2021, General Circular No. 2/2022 dated May 05, 2022, and General Circular No. 10/2022 dated December 28, 2022 respectively, ("MCA Circulars"), has permitted, *inter-alia*, conduct of AGMs through Video Conferencing/ Other Audio-Visual Means ("VC/OAVM") facility till September 30, 2023. In compliance with these Circulars, provisions of the Act and the SEBI Listing Regulations, the 28th AGM of the Company is being conducted through VC/OAVM facility, which does not require physical presence of members at a common venue. Hence, Members can attend and participate in the ensuing AGM through VC/OAVM. The registered office of the Company shall be deemed to be the venue for the 28th AGM.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairperson of the Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM facility will be counted for the purpose of ascertaining the quorum under Section 103 of the Act. In case of joint holders attending the meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
5. Pursuant to the provisions of Section 105 of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the 28th AGM and hence the Proxy Form, Attendance Slip and route map of the AGM are not annexed to this Notice.
6. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India ("ICSI") and Regulation 44 of SEBI Listing Regulations read with MCA Circulars, the Company is providing remote e-Voting facility to its members in respect of the business to be transacted at the 28th AGM and facility for those members participating in the 28th AGM to cast vote through e-Voting system during the 28th AGM. For this purpose, Central Depository Services (India) Limited (CDSL) will be providing facility for voting through remote e-Voting, for participation in the 28th AGM through VC/OAVM facility and e-Voting during the 28th AGM.

The members can opt for only one mode of voting i.e., remote e-Voting or e-Voting at the 28th AGM. In case of voting by both the modes, vote cast through remote e-Voting will be considered final and e-Voting at the 28th AGM will not be considered.
7. In terms of the MCA Circulars, the Notice calling the AGM and Audited Financial Statement for the Financial Year 2022-23 has been uploaded on the website of the Company i.e. www.iiflsecurities.com. The Notice can also be accessed on the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com, respectively. The AGM Notice is also disseminated on the website of CDSL at www.evotingindia.com.
8. In compliance with the MCA Circulars and the Securities and Exchange Board of India ('SEBI') Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 January 15, 2021, Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 and Circular No. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 05, 2023, Notice of the 28th AGM along with the Annual Report for Financial Year 2022-23 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/ National Securities Depository Limited and CDSL ("Depositories").

In case any member is desirous of obtaining hard copy of the Annual Report for the financial year 2022-23

- and Notice of the 28th AGM of the Company, may send request to the Company's email address at secretarial@iifl.com mentioning Foilo No./ DP ID and Client ID.
9. Members, whose email address is not registered with the Company or with their respective Depository Participant(s), and who wish to receive the Notice of the 28th AGM and the Annual Report for the financial year 2022-23 and all other communication sent by the Company, from time to time, can get their email address registered by following the steps as given below:-
 - a. Members holding shares in physical form may send scan copy of a signed request letter mentioning the folio number, complete address, email address to be registered along with scanned self-attested copy of the PAN and any document (such as Driving License, Passport, Bank Statement, AADHAR) supporting the registered address of the Member, by email to the Company's email address at secretarial@iifl.com or to Link Intime India Private Limited ("RTA/Linkintime") at rnt.helpdesk@linkintime.co.in.
 - b. Members holding shares in demat mode may update the email address through their respective Depository Participant(s).
 10. Pursuant to Section 91 of the Act, read with Regulation 42 of the SEBI Listing Regulations, the Register of Members and the Share Transfer Book of the Company will remain closed from August 25, 2023 to August 31, 2023 (both days inclusive).
 11. During the year 2022-23, the Company declared and paid an interim dividend of ₹ 3/- per equity share (i.e. 150% of face value of ₹ 2/- per share). The same shall be considered as final dividend. Members are requested to note that, dividends if not encashed and which remains unclaimed for a period of seven (7) consecutive years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). Further, all the shares in respect of which dividend has remained unclaimed for 7 consecutive years or more from the date of transfer to unpaid dividend account shall also be transferred to IEPF Authority. In view of this, Members are requested to claim their unclaimed dividends from the Company, within the stipulated timeline.
 12. Statutory Registers, financial statement and all the documents referred to in the Notice and Explanatory Statement will be available for inspection by the Members. Members who wish to inspect or seek any information in relation to the same are requested to write to the Company through e-mail on secretarial@iifl.com.
 13. The SEBI vide Circular No. SEBI/HO/MIRSD/MIRSDRTAMB/P/CIR/2021/655 dated November 3, 2021 read with Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/687 dated December 14, 2021 and Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023 has mandated furnishing of Permanent Account Number (PAN), KYC details (i.e., Postal Address with Pin Code, email address, mobile number, bank account details) and nomination details by holders of securities. Effective from January 01, 2022, any service requests or complaints received from the member, will not be processed by RTA till the aforesaid details/documents are provided to RTA. On or after October 01, 2023, in case any of the above cited documents/ details are not available in the Folio(s), RTA shall be constrained to freeze such Folio(s).
 14. Members may note that, in terms of the SEBI Listing Regulations, equity shares of the Company can only be transferred in dematerialised form.
 15. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or RTA, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.
 16. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/mobile numbers, PAN, mandates, nominations, power of attorney, bank account, etc., to their DPs if the shares are held by them in electronic form and to RTA if the shares are held by them in physical form.
 17. Pursuant to Section 72 of the Act, Members are entitled to make a nomination in respect of shares held by them. Members desirous of making a nomination, pursuant to the Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014 are requested to send their requests in Form No. SH- 13, to the Registrar and Transfer Agent of the Company. Further, Members desirous of cancelling/varying nomination pursuant to the Rule 19(9) of the Companies (Share Capital and Debentures) Rules, 2014, are requested to send their requests in Form No. SH-14, to the RTA of the Company. These forms will be made available on request.
 18. The Company has designated an exclusive e-mail id to redress shareholders' complaints/grievances. In case you have any queries/complaints/grievances, then please write to us at secretarial@iifl.com.
 19. Members can raise questions during the meeting or in advance at secretarial@iifl.com or investor.relations@iifl.com in the manner as prescribed in this notice. However, it is requested to raise the queries precisely and in short at the time of meeting to enable to answer the same.

20. The voting rights of the Members shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date i.e. August 24, 2023.
21. Institutional/Corporate shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of their respective Board or governing body Resolution/Authorization etc., authorizing their representative to attend the AGM through VC/OAVM on their behalf and to vote through remote e-Voting. The said Resolution/Authorization shall be sent to the Scrutinizer by e-mail at its registered e-mail address to cssnehalshah@gmail.com with a copy marked to secretarial@iifl.com.
22. The resolutions approved/voted by the Members through remote e-voting are deemed to have been passed as if they have been passed at a General Meeting of Members. The date of declaration of results of the e-voting shall be the date on which the resolutions would be deemed to have been passed, if approved by the requisite majority.
23. The Board of Directors have appointed CS Snehal Shah & Associates (Membership No. FCS 6114) and failing him CS Krishna Shah, Practicing Company Secretaries as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner. The Consolidated Results of remote e-voting and voting at the 28th AGM shall be declared within two working days of the conclusion of 28th AGM of the Company. The results declared along with the Scrutiniser's Report shall be placed on the Company's website www.iiflsecurities.com and on the website of CDSL www.evotingindia.com and the same shall also be communicated to BSE Limited and National Stock Exchange of India Limited where the shares of the Company are listed.
24. Statutory Registers and documents referred to in the Notice and Explanatory statement are open for inspection by the Members at the Registered office of the Company on all days (excluding Saturdays and Sundays) between 11.00 a.m. to 1.00 p.m. upto the date of the 28th AGM.
25. The information and instructions for shareholders for remote e-voting are as under:
- In compliance with the provisions of Regulation 44 of the SEBI Listing Regulations, Sections 108 and 110 of the Act, read with the Companies (Management and Administration) Rules, 2014 (as amended), MCA Circulars and the Secretarial Standard on General Meetings, the Company is providing a facility to all its members to enable them to cast their vote on the matters listed in this Notice by electronic means (remote e-voting). The remote e-voting facility is provided by CDSL.
- i. The voting period begins on Saturday, August 26, 2023 at 9.00 a.m. and ends on Wednesday, August 30, 2023 at 5.00 p.m. During this period, shareholders' of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of August 24, 2023, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - ii. Shareholders who have already voted prior to the meeting date would not be entitled to vote during the meeting.
 - iii. Pursuant to **SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020**, under Regulation 44 of SEBI Listing Regulations listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.
- Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.
- In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.
- iv. In terms of **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020** on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> Users who have opted for CDSL's Easi/Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login to Easi/Easiest are requested to visit CDSL website i.e. www.cdslindia.com and click on Login icon and New System Myeasi Tab. After successful login, the Easi/Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting services provider i.e. CDSL/NSDL/KARVY/LINK INTIME as per information provided by Issuer/ Company for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, we are providing links to e-Voting Service Providers, so that the user can visit the e-Voting service providers' site directly. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration <p>Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsd.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/ Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider's website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>

Important note: Members who are unable to retrieve User ID/Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL:

Login Type	Helpdesk Details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at 022 4886 7000 and 022 2499 7000.

v. Login method for e-Voting and joining virtual meeting for **physical shareholders and shareholders other than individual shareholders holding in Demat form.**

- 1) The shareholders should log on to the e-voting website www.evotingindia.com.
- 2) Click on "Shareholders" module.
- 3) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

For Physical Shareholders and other than individual shareholders holding shares in Demat.

PAN	Enter your 10-digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Shareholders who have not updated their PAN with the Company/ Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
-----	--

For Physical Shareholders and other than individual shareholders holding shares in Demat.

Dividend Bank Details	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.
OR Date of Birth (DOB)	<ul style="list-style-type: none"> • If both the details are not recorded with the depository or company, please enter the member id/folio number in the Dividend Bank details field.

- vi. After entering these details appropriately, click on "SUBMIT" tab.
- vii. Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- viii. For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- ix. Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- x. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xi. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xii. After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xiii. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xiv. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

- xv. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xvi. There is also an optional provision to upload Board Resolution and Power of Attorney (POA) if any uploaded, which will be made available to scrutinizer for verification.
- xvii. **Facility for Non – Individual Shareholders and Custodians –Remote Voting**
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cDSLindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
 - A scanned copy of the Board Resolution and POA which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address cssnehalshah@gmail.com and secretarial@iifl.com respectively, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops/IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast **Seven (7) days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at secretarial@iifl.com or investor.relations@iifl.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance Seven (7) days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at secretarial@iifl.com or investor.relations@iifl.com. These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES/MOBILE NO. ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested/scanned copy of PAN card), AADHAR (self

attested scanned copy of Aadhar Card) by email to rnt.helpdesk@linkintime.co.in or secretarial@iifl.com.

2. For Demat shareholders - please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – please update your email id & mobile no. with your respective DP which is mandatory while e-voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, CDSL, A Wing, 25th Floor, Marathon Futorex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400 013 or send an email to helpdesk.evoting@cdslindia.com or call toll free no. 1800 22 55 33.

PROCEDURE FOR REGISTRATION OF E-MAIL ADDRESS AND BANK DETAILS BY SHAREHOLDERS: -

a. For Temporary Registration for Demat shareholders:

The Members of the Company holding Equity Shares of the Company in Demat Form and who have not registered their e-mail addresses may temporarily get their e-mail addresses registered with Link Intime India Private Limited by clicking the link: https://web.linkintime.co.in/EmailReg/Email_Register.html in their web site www.linkintime.co.in at the Investor Services tab by choosing the E mail Registration heading and follow the registration process as guided therein. The members are requested to provide details such as Name, DPID, Client ID/PAN, mobile number and e-mail id. In case of any query, a member may send an e-mail to RTA at rnt.helpdesk@linkintime.co.in.

On submission of the shareholders details an OTP will be received by the shareholder which needs to be entered in the link for verification.

b. For Permanent Registration for Demat shareholders:

It is clarified that for permanent registration of e-mail address, the Members are requested to register their

e-mail address, in respect of demat holdings with the respective Depository Participant (DP) by following the procedure prescribed by the DP.

c. Registration of email id for shareholders holding physical shares:

The Members of the Company holding Equity Shares of the Company in physical Form and who have not registered their e-mail addresses may get their e-mail addresses registered with Link Intime India Pvt Ltd, by clicking the link: https://web.linkintime.co.in/EmailReg/Email_Register.html in their web site www.linkintime.co.in at the Investor Services tab by choosing the mail/Bank Registration heading and follow the registration process as guided therein. The members are requested to provide details such as Name, Folio Number, Certificate number, PAN, mobile number and e mail id and also upload the image of share certificate in PDF or JPEG format. (upto 1 MB). In case of any query, a member may send an e-mail to RTA at rnt.helpdesk@linkintime.co.in.

On submission of the shareholders details an OTP will be received by the shareholder who needs to be entered in the link for verification.

d. Registration of Bank Details for physical shareholders:

The Members of the Company holding Equity Shares of the Company in physical Form and who have not registered their bank details can get the same registered with Link Intime India Pvt Ltd, by clicking the link: https://web.linkintime.co.in/EmailReg/Email_Register.html in their web site www.linkintime.co.in at the Investor Services tab by choosing the E mail/Bank Registration heading and follow the registration process as guided therein. The members are requested to provide details such as Name, Folio Number, Certificate number, PAN, e – mail id along with the copy of the cheque leaf with the first named shareholders name imprinted in the face of the cheque leaf containing bank name and branch, type of account, bank account number, MICR details and IFSC code in PDF or JPEG format. In case of any query, a member may send an e-mail to RTA at rnt.helpdesk@linkintime.co.in.

On submission of the shareholders details an OTP will be received by the shareholder which needs to be entered in the link for verification.

Annexure to the Notice:

Explanatory Statement Pursuant to Section 102 of Companies Act, 2013 to the accompanying notice

Item No. 3

To approve sale/disposal of asset(s) of the material subsidiary

It is proposed to sale/dispose of assets, in IIFL Facilities Services Limited ("IIFL Facilities"), material subsidiary of the Company to the third-parties through various modes including by way of asset sale or through other contractual arrangements. Proceeds of such sale will be utilized by IIFL Facilities for the repayment of term loan availed by mortgaging its assets and any other purpose in connection with the business activities of the company on such terms and conditions as the board may deem fit.

The Management believes that the consideration from the sale of assets of the subsidiary will generate significant shareholder value by monetization and will be in the best interest of the company.

In terms of Regulation 24(6) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter called "SEBI Listing Regulations"), selling, disposing and leasing of assets amounting to more than 20% of the assets of the material subsidiary on an aggregate basis during a financial year shall require prior approval of the Members by way of a special resolution.

In view of the aforesaid regulatory requirement, approval of the Members is sought for the resolution proposed in the Item no. 3 of the notice. The approval sought for the transaction(s) mentioned above are not proposed to be carried out with Promoters, Persons Acting in Concert, Directors or Key Managerial Personnels.

None of the Directors/Key Managerial Personnel of the Company/their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 3 of the Notice.

parties

1. Name of the related party, nature of relationship, type & value of the proposed transaction:

Name of the Related Party	IIFL Finance Limited		IIFL Home Finance Limited	
	Related Party as per Accounting Standards and SEBI Listing Regulations			
Nature of Relationship	Value of the proposed Transaction			
Type of transaction	Value of the proposed Transaction		Value of the proposed Transaction	
	₹ in Cr	% of Company's annual consolidated turnover based on FY 2022-23	₹ in Cr	% of Company's annual consolidated turnover based on FY 2022-23
Inter-corporate deposits ("ICD")				
1. ICD given				
1(a) Aggregate ICD given	1500	109%	1500	109%
1(b) Maximum outstanding (ICD given)*	700	51%	200	15%

The Board recommends the Special Resolution set out at Item No. 3 of the Notice for approval by the Members.

Item No. 4 to 7

Approval for the material related party transactions

Pursuant to Regulation 23 of the SEBI Listing Regulations, as amended, a transaction with a related party shall be considered material, if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds ₹1000 crore or 10% of the annual consolidated turnover of the Company as per the last audited financial statements, whichever is lower. Further, such material related transactions shall require prior approval of shareholders through ordinary resolution.

The Company and/or its subsidiaries may give/avail Inter-Corporate Deposits from time to time, with Related Party in terms of Regulation 2(1)(zc) of SEBI Listing Regulations, as and when required. All these transactions will be executed at an arm's length basis and in the ordinary course of business of the Company/or its subsidiaries and have been approved by the Audit committee and the Board of Directors at their respective meetings.

In view of the above, approval of the shareholders is sought for the material related party transactions to be entered by the Company and/or its subsidiaries with the related parties which may exceed the materiality threshold limit as prescribed under the SEBI Listing Regulations, from 28th AGM till 29th AGM of the Company, for a period not exceeding fifteen months.

The details as required under Regulation 23(4) of the SEBI Listing Regulations read with SEBI Circular bearing reference no. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated November 22, 2021 ("SEBI Circular") are set forth below:

A) Transactions between the Company with its related

Name of the Related Party	IIFL Finance Limited		IIFL Home Finance Limited	
Nature of Relationship	Related Party as per Accounting Standards and SEBI Listing Regulations			
Type of transaction	Value of the proposed Transaction		Value of the proposed Transaction	
	₹ in Cr	% of Company's annual consolidated turnover based on FY 2022-23	₹ in Cr	% of Company's annual consolidated turnover based on FY 2022-23
2. ICD taken				
2(a) Aggregate ICD taken	1500	109%	1500	109%
2(b) Maximum outstanding (ICD taken)*	700	51%	200	15%

* The ceiling on the amount of transactions specified as above means the transactions remaining outstanding at the end of any day.

2. Type, Material terms including Tenure, Rate of Interest, repayment, security, other covenants of the Transactions, source of funds, purpose of use of funds and Justification as to why the related party transaction is in the interest of the listed entity

Type of proposed transaction	Tenure	Interest Rate	Security	Repayment	Source of Funds	Purpose of use of Funds	Indebtedness incurred for subscription of securities	Justification as to why the related party transaction is in the interest of the listed entity
1. Inter-corporate deposits given	From the date of 28 th AGM to 29 th AGM for a period not exceeding fifteen months	SBI 1 year MCLR + Credit spread of 250 to 350 basis points	Unsecured	Bullet repayment on maturity or payable/receivable on demand	From own capital including retained earnings	Working Capital, Treasury management and general corporate purpose.	Not applicable. The Company ensures further investment of surplus funds and is being made out of the free float of available funds.	These transactions of the Company are regular business transactions carried out at arm's length and in accordance with the applicable laws.
2. Inter-corporate deposits taken								

B) Transactions between the wholly owned subsidiary companies with the related party of the Company

1. Name of the related party, nature of relationship, type & value of the proposed transaction:

Name of the Related Party	IIFL Facilities Services Limited (WOS) with IIFL Finance Limited			IIFL Management Services Limited (WOS) with IIFL Finance Limited		
Nature of Relationship	Related Party as per Accounting Standards and SEBI Listing Regulations					
Type of transaction	Value of the proposed Transaction			Value of the proposed Transaction		
	₹ in Cr	% of Company's annual consolidated turnover based on FY 2022-23	% of subsidiaries annual turnover on standalone basis	₹ in Cr	% of Company's annual consolidated turnover based on FY 2022-23	% of subsidiaries annual turnover on standalone basis
Inter-corporate deposits ("ICD")						
1. ICD given						
1(a) Aggregate ICD given	1500	109%	2063%	500	36%	1075%
1(b) Maximum outstanding (ICD given)*	700	51%	963%	200	15%	430%
2. ICD taken						
2(a) Aggregate ICD taken	1500	109%	2063%	500	36%	1075%
2(b) Maximum outstanding (ICD taken)*	700	51%	963%	200	15%	430%

* The ceiling on the amount of transactions specified as above means the transactions remaining outstanding at the end of any day.

2. Type, Material terms including tenure, rate of interest, repayment, security, other covenants of the Transactions, source of funds, purpose of use of funds and Justification as to why the related party transaction is in the interest of the listed entity

Type of proposed transaction	Tenure	Interest Rate	Security	Repayment	Source of Funds	Purpose of use of Funds	Indebtedness incurred for subscription of securities	Justification as to why the related party transaction is in the interest of the listed entity
1. Inter-corporate deposits given	From the date of 28 th AGM to 29 th AGM for a period not exceeding fifteen months	SBI 1 year MCLR + Credit spread of 250 to 350 basis points	Unsecured	Bullet repayment on maturity or payable/receivable on demand	From own capital including retained earnings	Working Capital, Treasury management and general corporate purpose.	Not applicable. The Company ensures further investment of surplus funds and is being made out of the free float of available funds.	These transactions of the Company are regular business carried out at arm's length and in accordance with applicable laws.
2. Inter-corporate deposits taken								

With respect to the above matter, the Members are requested to note the following disclosure of interest between the Company with its related parties:

Sr. No.	Name of the Related Parties of the Company	Nature of Concern or Interest
1	IIFL Finance Limited (IIFL FIN)	Mr. Nirmal Jain and Mr. R. Venkataraman are Executive Directors of IIFL FIN. Mr. Nirmal Jain and Mr. R. Venkataraman are promoters of IIFL FIN and both holds along with their relatives & persons acting in concert 94,547,490 equity shares i.e. 24.85% in IIFL FIN.
2	IIFL Home Finance Limited (IIFLHFL)	Mr. Nirmal Jain and Mr. R. Venkataraman are Non-Executive Directors of IIFLHFL. Mr. Nirmal Jain and R. Venkataraman are promoters of IIFL FIN and IIFLHFL is a Wholly Owned Subsidiary of the IIFL FIN.

Further to the above, the following is the disclosure of interest between wholly owned subsidiary (WOS) companies with the related parties of the Company.

Sr. No.	Name of the Entities	Nature of Concern or Interest
1	IIFL Facilities Services Limited (IIFLFSL), WOS	Mr. Nirmal Jain and R. Venkataraman are promoters of IIFL Securities Limited (ISL) and IIFLFSL is a Wholly Owned Subsidiary of the ISL.
2	IIFL Management Services Limited (IIFLMSL), WOS	Mr. Nirmal Jain and R. Venkataraman are promoters of IIFL Securities Limited (ISL) and IIFLMSL is a Wholly Owned Subsidiary of the ISL.
3	IIFL Finance Limited (IIFL FIN)	Mr. Nirmal Jain and Mr. R. Venkataraman are Executive Directors of IIFL FIN. Mr. Nirmal Jain and Mr. R. Venkataraman are promoters of IIFL FIN and both holds along with their relatives & persons acting in concert 94,547,490 equity shares i.e. 24.85% in IIFL FIN.

Except the above Directors, Promoters and their Relatives, none of the Directors, Key Managerial Personnel and their Relatives is, in any way, concerned or interested, financially or otherwise in the Ordinary Resolutions set out at item nos. 4 to 7.

Your Directors recommend the passing of the Ordinary Resolutions set out at Item Nos. 4 to 7 of the Notice, for the approval of the Members.

The Members may please note that in terms of provisions of the SEBI Listing Regulations, no related party/ies shall vote to approve the Ordinary Resolutions at Item Nos. 4 to 7 of the Notice whether the entity is a related party to the particular transaction or not.

Item No. 8

Approval for offer or invitation to subscribe to the Non-Convertible Debentures on private placement basis

As per Section 42 of the Companies Act, 2013 ("**the Act**"), read with the Rules framed there under, a company offering or making an invitation to subscribe to Non-Convertible Debentures (NCDs) on a private placement basis is required to obtain the prior approval of the Members by way of a Special Resolution. Such an approval can be obtained once a year for all the offers and invitations made for such NCDs during the year. In order to augment long-term resources for financing, *inter alia*, the ongoing expenditure and for business purposes, the Board may, at an appropriate time, offer or invite subscription for secured/unsecured redeemable non-convertible debentures, in one or more series/tranches on private placement, issuable/ redeemable at par.

The approval of the Members is being sought by way of a Special Resolution under Sections 42 and 71 of the Act read with the Rules made there under, to enable the Company to offer or invite subscriptions of NCDs on a private placement basis, in one or more tranches, during the year, within the overall borrowing limits of the Company, as approved by the Members from time to time.

None of the Directors/Key Managerial Personnel of the Company/their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 8 of the Notice

Your Directors recommend the passing of the Special Resolution set out at Item Nos. 8 of the Notice, for the approval of the Members.

Information Pertaining to Director seeking appointment/re-appointment as mentioned under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and applicable Secretarial Standards.

Particulars	Mr. Narendra Jain
Date of Birth	September 25, 1971
Nationality	Indian
Date of Appointment	May 13, 2014
Qualifications	B.Com and Chartered Accountant
Expertise in specific functional areas	Mr. Narendra Jain is a Whole time Director on the Board of the Company. He holds a bachelor's degree in commerce from the University of Mumbai and is a qualified Chartered Accountant. He has over 28 years of experience in the financial services industry, specifically in areas such as operations, taxation, internet banking, and finance. In the past, he was associated with ICICI Brokerage Service Limited, where he worked in areas like operations, risk, compliance and design and development of systems and processes. He was also associated with Hindustan Petroleum Corporation Limited, where he was involved in indirect taxation and marketing analytics.
Number of shares held in the Company	105000 as on March 31, 2023
Directorships held in other public companies (excluding foreign companies)	<ul style="list-style-type: none"> • IIFL Management Services Limited • Livlong Protection & Wellness Solutions Limited (Formerly known as IIFL Corporate Services Limited) (Formerly known as IIFL Asset Reconstruction Limited) • IIFL Securities Services IFSC Limited
Attendance in number of Board eligible during the financial year 2022-23	5/5
Memberships/ Chairmanships of committees of other public companies (includes only Audit Committee and Stakeholders Relationship Committee in public limited companies)	Nil
Relationships between Directors inter-se	None
Remuneration details (in million)	₹ 12.26
Stock Option (Exercised and allotted in no.)	22500 (during FY 2022-23)

By Order of the Board of Directors

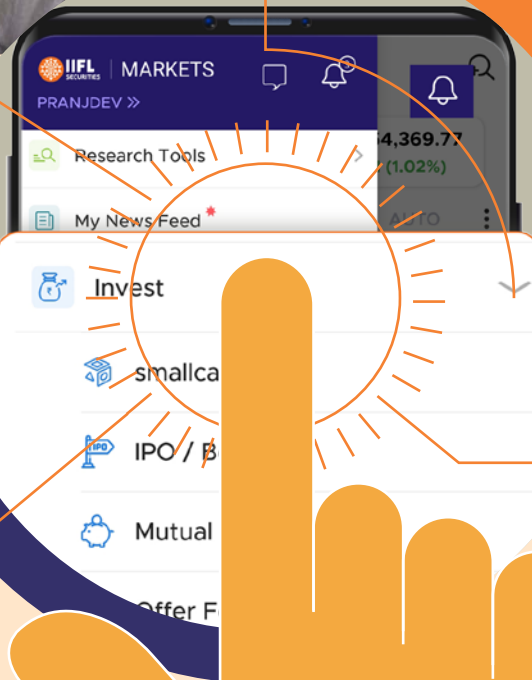
Date: April 24, 2023
Place: Mumbai

Meghal Shah
Company Secretary
ACS- 53569

Regd. Office:

IIFL House, Sun Infotech Park,
Road No. 16V, Plot No. B-23, MIDC,
Thane Industrial Area, Wagle Estate,
Thane - 400 604
Email - secretarial@iifl.com

In step with customers. In step with change.



BASIS OF REPORTING

Our approach to adoption of <IR>

This Report is prepared based on the Integrated Reporting (<IR>) framework of International Integrated Reporting Council (IIRC). FY 2022-23 is our third year of such reporting.

Through <IR>, we intend to provide our stakeholders with an all-inclusive depiction of our value creation process using both qualitative and quantitative information across financial and non-financial resources. We provide insights into our strategy, matters that are material to us, and the challenges and associated risks in achieving our long-term objectives in context of the external operating environment. Certain <IR> related data in this Report may be management estimates.

Our approach to materiality

The Report provides an overview of our business and associated activities that assist us in creating long-term value. The Report also addresses several issues that may have a substantial influence on our Company's potential to create value, as well as the measures undertaken to mitigate them.

Reporting principle

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

Reporting period, scope and boundary

The Report covers the key statutory financial information and activities of the Company in FY 2022-23. Comparative figures and notable events of past years have been reported to provide a holistic view to stakeholders. The non-financial information in the Integrated Report largely covers data on the India operations of IIFL Securities Limited.

Forward-looking statements

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

These forward-looking statements are dependent on assumptions, data or methods that may be inaccurate

Our value creation approach



Financial Capital



Physical Capital



Intellectual Capital



Human Capital



Social and Relationship Capital



Natural Capital

[Read more on pages 20-21](#)

Target audience

The target audience for this Integrated Report typically includes a range of stakeholders (as mentioned below) and the broader public. These stakeholders are interested in our Company's financial and non-financial performance, overall strategy, risks, opportunities, and outlook. They also seek transparency, accountability, and assurance that our Company is operating in an ethical and sustainable manner.

Our stakeholders



Customers



Business partners & vendors



Employees



Rating agencies and lenders



Regulatory bodies



Shareholders and investors



Communities

[Read more on pages 26-29](#)

or imprecise and hence are not guarantees of future operating, financial and other results. They constitute our current expectations based on reasonable assumptions. The Company's actual results could materially differ from those projected in any forward-looking statements due to various future events, risks, and uncertainties some of which are beyond our control. The Company does not assume any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

INTEGRATED REPORT

- 04 In step with customers.
In step with change.
- 06 Chairman and Managing
Director's message
- 08 IIFL Securities in brief
- 10 Management speaks
- 12 A diversified suite of offerings
- 17 Why IIFL Securities?
- 18 SDGs we contribute to
- 20 Our integrated business model
- 22 Our operating context
- 24 Our strategic priorities
- 26 Addressing material matters
- 30 Risk Management
- 32 Financial capital
- 34 Physical capital
- 36 Intellectual capital
- 40 Human capital
- 46 Social and relationship capital
- 54 Customer testimonials
- 56 Natural capital
- 58 Prudent governance practices
- 60 Board of Directors
- 62 Awards and accolades



06

*Message from the Chairman
and Managing Director*

18



*SDGs we
contribute to*

STATUTORY REPORTS

- 63 Directors' Report
- 89 Business Responsibility and
Sustainability Report
- 126 Corporate Governance Report
- 152 Management Discussion and
Analysis Report



89

*Business Responsibility and
Sustainability Report*

FINANCIAL STATEMENTS

- 167 Standalone
- 234 Consolidated

Changing face of equity trading

Back in 1850s, 22 stockbrokers began trading opposite the Town Hall of Bombay under a banyan tree. This evolved into the open outcry trading system, which continued in India till 1995.





NSE

From the year 1995, electronic trading systems were introduced, which later evolved into online trading at people's homes and even palms (with mobile trading). Today, the face of equity markets has transformed completely.

In step with customers. In step with change.

Change is the only constant —

This verse from the Bhagvad Gita, aptly describes the world around us.

The world as we see today has gone through several cycles of evolution, and the process is ongoing. The world of investing too has been transforming constantly with the pivot changing from time to time. Technological advances have often become the pivot of such transformation with evolving regulations taking center stage on occasion. These swivels are moving in tandem with the primary objective of serving the best interest of the minority (retail) investors. From being a support function to the core business, technology has become the base for it. Investors themselves are moving towards goal-based investing, and aligning their risk appetite with short-term, medium-term and long-term rewards. A positive fall-out of these changes is the visible improvement in corporate governance and business practices of brokerage companies.

We, at IIFL Securities, have been witnessing this transformation since the past 28 years. Our ability to think ahead, strategize and implement plans effectively and our diverse set of offerings which has something for every investor have helped us navigate several rough weathers. Our focus on staying relevant to our customers and providing them with the best experience has helped us grow as an organization. During the year under review, we took one more decision in this direction - to hive off our online retail trading business to 5paisa Capital and sharpen our focus on the mass affluent demographic segment, which is subject to regulatory and shareholders approval. As we engage with the growing mass-affluent customers, we are satiating their distinct preferences and increasing customization to serve them efficiently.

In line with the structural shift in the stock broking industry, we are differentiating our services with high-quality research and market analysis. From this vantage point, the future appears bright as we are progressing towards our goal of emerging as a leading wealth-tech financial platform, and remaining focused on achieving profitable and sustainable growth.





FY 2022-23: Key highlights

₹ 1,246 Billion

Assets Under Management
and Custody

₹ 13,704 Million

Total Revenue

₹ 1,536 Billion

Average Daily Turnover (ADTO)

29

Investment Banking
Transactions Completed

3,065

New Authorised Persons Acquired

0.4 Million

Customers Acquired

Why IIFL Securities?

Read more on

[▶ 17](#)

Our integrated business model

Read more on

[▶ 20-21](#)

Our strategic priorities

Read more on

[▶ 24-25](#)

How we manage risks?

Read more on

[▶ 30-31](#)

Chairman and Managing Director's message

Dear Stakeholders,

The last fiscal has been a watershed moment for our Company, as we aligned our strategy with the changing dynamics of the financial services sector. As we glance back over the past two and a half decades of our journey, we see the numerous challenges we have encountered and the milestones we have achieved in our industry.



The financial services landscape has seen an incredible evolution, with technological advancements altering the very fabric of capital markets. Over the years, capital markets moved away from the physical, open outcry model to the more efficient and transparent online, demat account and screen-based trading. We embraced this digital revolution and adapted to the shifting customer preferences. Regulatory reforms have increased with the purpose of protecting the interests of retail investors and enhancing transparency. Investors have started seeking more than just transactions; they desire comprehensive wealth management solutions linking their investments with their short-term and medium-term financial goals.

In such a dynamic scenario, it was extremely critical for financial services companies to keep reinventing themselves. At IIFL Securities, we have not only stayed ahead of this curve but also emerged as a leading player in multiple business segments. We created a competitive moat by our relentless focus on technology, deep management expertise, and our unwavering commitment to putting clients at the heart of everything we do. Today, we are the leading player in most of our business segments. This year's Annual Report theme, "In step with customers. In step with change," encapsulates this very essence.

Amidst our pursuit of excellence, we took a strategic step towards further honing our capabilities. Our Board of

Directors approved the transfer of our Company's Online Retail Trading Business to 5paisa Capital Limited, which is subject to regulatory and shareholders' approvals. This reorientation enables us to elevate our focus on clients in the affluent segment. This segment (net worth of approximately ₹ 1 Million to ₹ 100 Million) represents a large and growing market. This rapidly growing market, encompassing net worth from ₹ 1 Million to ₹ 100 Million, demands personalized investment experiences and trusted relationships. Our Company's strong capabilities in research, digitally-enabled relationship management, strong brand equity, and nationwide reach position us splendidly to gain market share in this segment.

"Progress is impossible without change, and those who cannot change their minds cannot change anything."

– George Bernard Shaw

Focused on opportunities in a dynamic industry

As we reflect on the past year, we witness a world recovering slowly from the aftermath of the COVID-19 pandemic. Global economies grappled with inflation-fighting measures, resulting in hardened interest rates and visible stress in the financial sector.

Fortunately, back home, our economy remains better placed than several of its counterparts. Continued traction in private consumption and capital investment by the government in infrastructure are the key forces driving our



economy. India's GDP is estimated to soar by 6.3% in FY24 (Source: Global Economic Prospects report, World Bank). However, certain factors like delayed private capex recovery, unfavorable monsoons, and elevated interest rates may pose potential downside risks.

Amidst this dynamic backdrop, wealth managers and brokerages find themselves surrounded by vast opportunities. A fast-growing economy, reinforced regulatory framework, increasing digitalization, and an under-penetrated securities market create a landscape ripe with potential for growth and success.

“The game of life is a lot like football. You have to tackle your problems, block your fears, and score your points when you get the opportunity.”

– Lewis Grizzard

The strategy guiding our choices

At the heart of our mission is the commitment to enhancing our digital capabilities and platforms, ensuring a superior and distinctive customer experience. Our objective is to be the preferred online and device-agnostic financial platform, providing research-driven investment assistance to our valued customers. Collaborating with fintech partners forms a crucial part of our digital strategy, driving cost optimization throughout the customer journey – from acquisition to delivery of our financial solutions.

Our strong research credentials distinguish us in an otherwise crowded marketplace. Our ongoing focus on bolstering research capabilities is complemented by close engagement with our customers, comprehending their needs and preferences, enabling us to serve them better.

Following the reorganization of our retail business, our teams are focused on cross-selling initiatives aiming to enhance wallet share and expand our customer base within the affluent segment. We believe this segment is currently under-served and wish to move up the value chain and become the financial planner of choice for the affluent segment.

“The essence of strategy is choosing what not to do.”

– Michael Porter

Delivering value, responsibly

Our employees play a pivotal role in our growth story. We undertake several comprehensive training programs to help them enhance their skills, foster work-life balance, and nurture their overall health and well-being. We believe in their personal and professional evolution.

Engaging town halls, surveys, and effective grievance redressal mechanisms amplify their voices, making them a vital part of our decision-making process. Our merit-based performance appraisal, along with rewards and recognition program helps in motivating them to excel and bring their best to the table. These efforts are visible not just internally but have also received external validation. Our combined efforts were indicated with a 'Great Place to Work' certification.

“No company, small or large, can win over the long run without energized employees who believe in the mission and understand how to achieve it.”

– Jack Welch

Energized employees, empowered community

Another important stakeholder for us is the community in which we operate. Through India Infoline Foundation, we undertake several projects to drive inclusive development and well-being of the marginalized sections of society. The Foundation has identified HELP (Health, Education, Livelihood, and Poverty alleviation) as its key focus areas and continues to implement need-based projects aimed at making a maximum impact.

“Sustainability is no longer about doing less harm. It's about doing more good.”

– Ray Anderson

Driving sustainable progress

This year marks the introduction of BRSR (Business Responsibility and Sustainability Report)-based reporting for us. We have further updated all our policies and enhanced our disclosures, setting the stage for further streamlining our ESG (Environmental, Social and Governance) roadmap and defining team-wise targets to propel us towards continued progress in our non-financial performance.

Before concluding, I would like to express my heartfelt gratitude to all our stakeholders – our employees, customers, bankers, shareholders, business partners, regulators and communities – for staying right beside us in our journey of constant evolution.

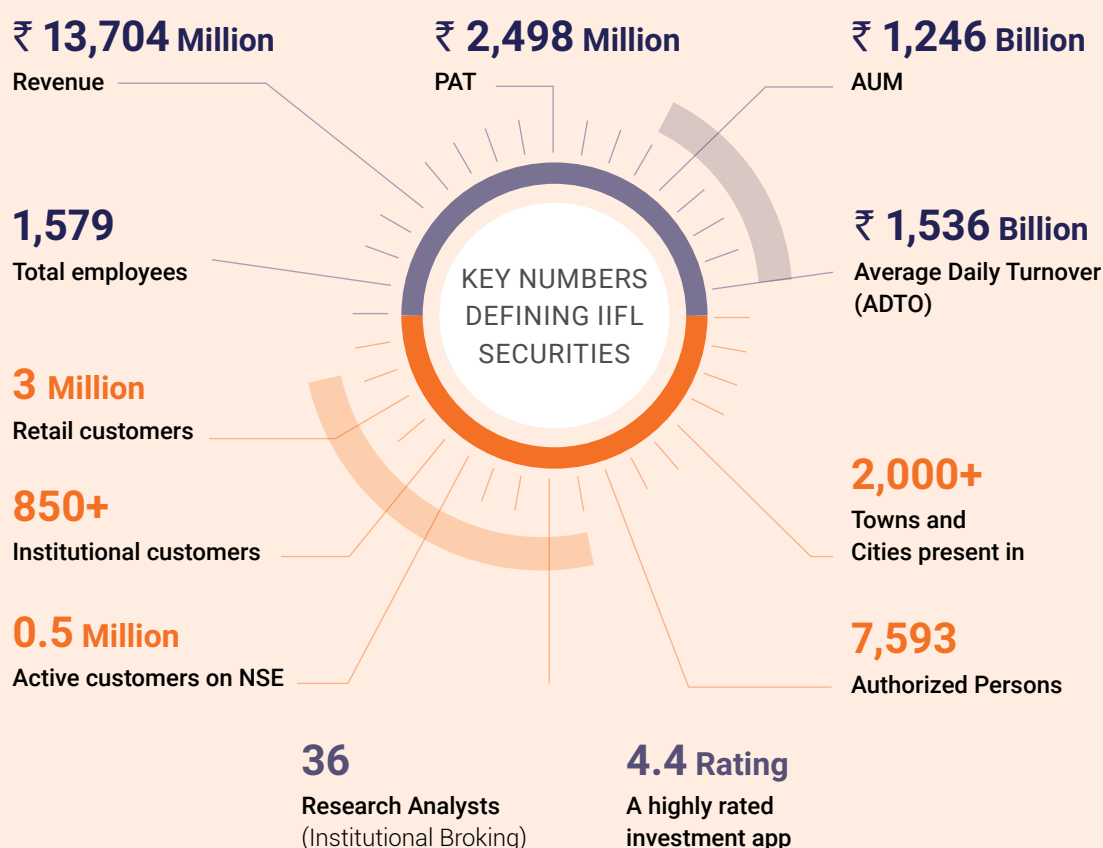
Warm Regards,

R. Venkataraman

Chairman and Managing Director

IIFL Securities in brief

We, IIFL Securities, have been serving customers for more than two and a half decades, and have built lasting relationships, strong brand recall and immense value for all our stakeholders. Our full suite of offerings helps us cater to a wide set of customer needs, including financial planning, investment across asset classes and so on. Our customers belong to varied age groups and background - spanning individuals who are salaried, self-employed as well as businesses. Non Resident Individuals (NRIs), corporates and Ultra HNIs, Foreign Institutional Investors and Domestic Institutional Investors also form part of our customer base.



We are a key player in India's financial services space

Having established ourselves through a combination of cutting-edge technology, diverse product offerings, management expertise and a wide network of branches across India.

We are a full-service broking firm

And one of the largest full-service retail and institutional broking houses in India, serving a spectrum of customers across retail and institutional segments with a full-suite of products and services via an open architecture model.

We have developed long-term relationships

With our customers by sustaining high-quality performance and continue to be their preferred investment partner.



Our Vision

To be amongst India's most respected financial services companies.

Core Values that shape our culture



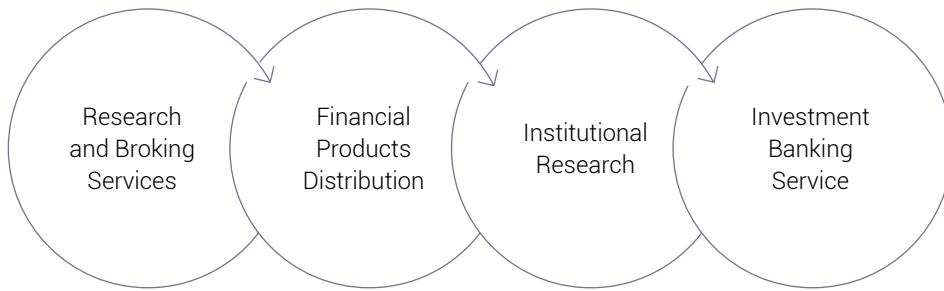
FAIRNESS



INTEGRITY



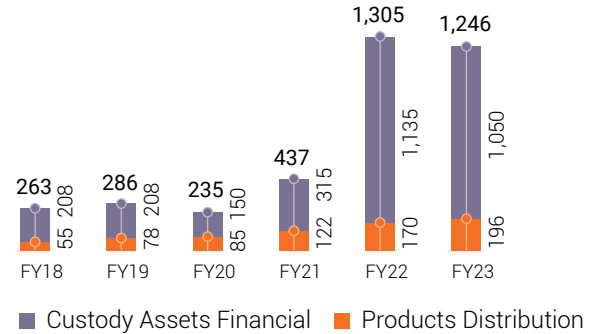
TRANSPARENCY



A one-stop shop for all financial products

- Mutual Funds
- Alternate Investment Funds
- Portfolio Management Services
- Initial Public Offerings
- Insurance (Life, General and Health)
- Fixed Deposits
- Bonds
- National Pension Scheme
- Loans

Assets under custody and management (₹ Billion)



Fortifying our competitive moat

○ A one-stop shop for retail and institutional broking, distribution of financial products and investment banking

○ Backed by strong balance sheet and liquidity position

○ A well-entrenched presence and distribution reach in 2,000+ towns and cities across India

○ Strong brand equity as a part of the IIFL Group

○ Excellent research credentials owing to in-depth knowledge about capital markets, corporates and sectors

○ Robust technology platform and synergistic fintech tie-ups

Management speaks



Mr. Narendra Jain
Whole Time Director

During the year under review, we continued to strengthen our relationship with our customers by offering them relevant products, prompt service and seamless platforms as well as processes. We continued our focus on using digital tools to offer real-time transaction processing for our customers. Our customers can interact with us 24/7 using online technology solutions like IIFL Help and Chatbots. We have now adopted the Enterprise Risk Management framework across the organization which ensures we are able to assess risks associated with various processes and are better equipped to measure and handle them in time. All our back office and risk management processes continue to be duly aligned to various changes in regulations and at the same time we have ensured scalable and error-free delivery of services to our customers as per their aspirations.



Mr. Shanker Ramrakhiani
Chief Information
Security Officer (CISO)

Our ability to maintain a solid framework of information security is critical to ensure seamless, low-risk and superior technology capabilities. This, in turn, plays an important role in the growth and success of our Company. Our information security and related processes are ISO 27001 certified. We will continue to strengthen our processes, systems and tools for adequate monitoring, audit logging and suspicious activity reporting; and thereby effectively mitigate various cyber security risks.



Mr. H. Nemkumar
President, Institutional Equities

It was not easy to beat the strong growth we witnessed in FY 2021-22 this year. This, coupled with normalcy post COVID implied that our costs moved up sharply. We are now back to hosting in-person conferences and organizing corporate and analyst roadshows globally – these are essential to solidify our customer relationships. The platform of offerings we have for our customers has grown rapidly with alternative research being a key focus this year. Research productivity continues to remain solid, the team initiated coverage on 13 companies and issued 19 IPO reports. Our trading platforms continue to improve and F&O trading, DMA/ETF executions are picking up momentum.



Mr. Nipun Goel
President, Investment Banking

IIFL has been ranked #1 in terms of number of IPOs completed in fiscal 2022-23 (Source: Prime Database Investment Banking League Tables). We completed 29 transactions across IPOs, QIPs, debt and advisory transactions, among others. This is commendable when viewed in the context of a volatile market environment. Our proven track record of quick and efficient execution along with customer-centric approach makes us stand out in an otherwise crowded market. We remain confident of continuing this strong momentum in the future.



Mr. Suvajit Ray
Head, Product & Distribution

Our wide suite of products and services make us stand out in a crowded market, and cater to the investment needs of a wide set of customers. During the year, we sharpened our focus on the mass affluent segment and are geared up with our products, research and advisory capabilities to provide them with bespoke solutions as per their needs. Our focus is on empowering our customers to make well-informed investment decisions and achieve their financial goals with ease.



Mr. Prasad Umarale
Chief Compliance Officer

The ever-evolving and reform-oriented regulatory environment is an opportunity for well-governed companies like ours. At IIFL Securities, we are committed to meet all laws and regulations applicable to our business in their truest essence. Our dedicated team of qualified professionals is focused on ensuring timely and effective compliance to all regulations across all departments, functions and processes.

A diversified suite of offerings

RETAIL BROKING



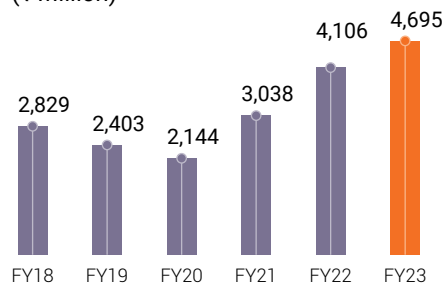
We offer investment and trading solutions, to retail and HNI investors through our comprehensive platform and a bouquet of digital properties.

₹ 4,695 Million

Segmental Revenue

34% of Total Revenue

Retail brokerage income
(₹ Million)



Products & Services

Investment and trading across asset classes, including equity, commodity, derivatives, currency, margin trading funding, etc.

Our competitive advantages

- Strong research team
- Diversified and customer-centric products
- Full-service and multi-channel retail-led platform
- Widespread network

Key operational highlights of FY 2022-23

- Customer base of **3 Million**
- Managing assets of ₹ **1,246 Billion**
- Presence in **2,000+** Towns and Cities
- **10.8 Million** downloads of IIFL Markets app



FINANCIAL PRODUCTS DISTRIBUTION



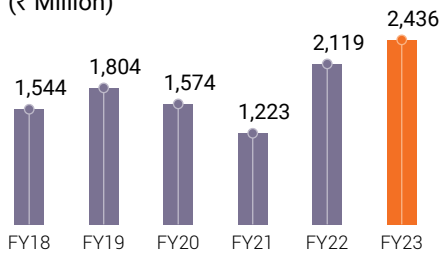
We provide a wide range of third-party financial products, well serving our retail customers and mass affluent investors. Given our superior research and strong distribution capabilities, we remain well positioned to grow the Financial Products Distribution segment.

₹ 2,436 Million

Segmental Revenue

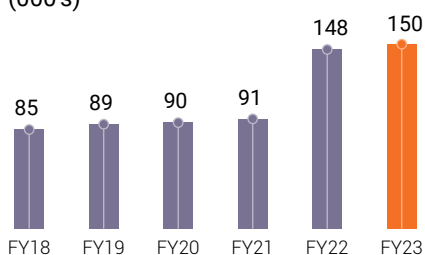
18% of Total Revenue

Income from financial products distribution*
(₹ Million)

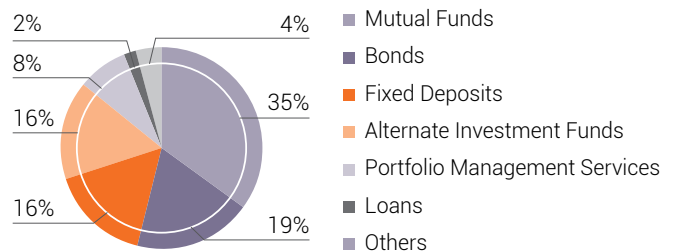


* also includes Income from Insurance

SIP Transaction Count
(000's)



Break-up of financial products AUM: ₹ 196 Billion



Products & Services

Third-party financial products distribution including:

- Mutual Funds
- Insurance
- Portfolio Management Services
- Alternate Investment Funds
- Fixed Deposits
- Loans
- Bonds
- Pension Products

Our competitive advantages

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

Key operational highlights of FY 2022-23

- Total Assets Managed ₹ 196 Billion
- Mutual Fund AUM: ₹ 68.5 Billion
- SIP AUM: ₹ 18.1 Billion
- Average transactions done of 1.5 Lakh per month
- Insurance Premium at ₹ 2,788 Million

INSTITUTIONAL BROKING



We offer domestic and international institutional customers brokerage services. We are empaneled with a large cross-section of institutional customers and also have Direct Market Access (DMA) to them. We also work with trade aggregators. Further, we provide solutions like block deals, which give our customers liquidity and enable them to trade on Indian stock exchanges as per their specific requirements.

₹ 1,740 Million

Segmental Revenue

13% of Total Revenue

Products & Services

- Broking services
- Corporate access
- Research support

Our competitive advantages

- Strong research team with excellent domain knowledge
- Dedicated sales teams in India and New York

Key operational highlights of FY 2022-23

- 850+ Domestic and Foreign customers
- Team of 36 Research Analysts
- 262+ stocks under coverage

We held our flagship Enterprising India Investor Conference in Mumbai from February 14, 2023 to February 16, 2023. Over 120 corporates and 700+ investors participated in this flagship conference.

We also had our international conference in FY 2022-23 at Singapore and London.



INVESTMENT BANKING



We are one of India’s leading investment banking firms, with superior customer focus and solid execution. With a robust deal pipeline, we handle multiple transactions under different execution stages.

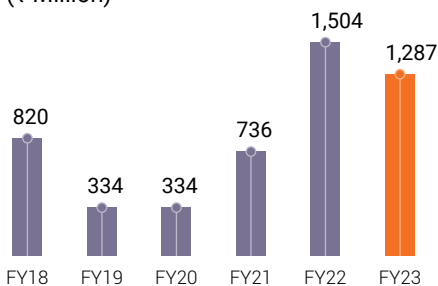
Given our superior research, strong distribution capabilities, good understanding of customers and markets, and a dedicated team, we are well positioned to cater to corporates’ banking needs, while also focusing on expanding distribution across HNIs, and Domestic and Foreign Institutions.

₹ 1,287 Million

Segmental Revenue

9% of Total Revenue

Revenues from investment banking
(₹ Million)



Products & Services

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

Our competitive advantages

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

Key operational highlights of FY 2022-23

- Completed 29 transactions across capital markets, debt advisory and private equity
- Completed transactions, including:
 - 12** IPOs
 - 06** Debt transactions
 - 03** QIPs
- Several IPOs, private equity and advisory transactions are in various stages of execution

Select Transactions (FY 2022-23)

<p>QIP ₹ 5,000 Mn</p>  <p>Data Patterns March 2023 BRLM</p>	<p>Buyback</p>  <p>India Energy Exchange March 2023 Banker</p>	<p>Debt Placement</p>  <p>IIFL Finance January 2023 BRLM</p>
<p>IPO + Secondary ₹ 15,000 Mn + 1,000 Mn</p>  <p>Kfin Technologies December 2022 BRLM</p>	<p>IPO ₹ 9,603 Mn</p>  <p>Sula Vineyards Limited December 2022 BRLM</p>	<p>IPO + Secondary ₹ 14,623 Mn + 800 Mn</p>  <p>Archean Chemical December 2022 BRLM</p>
<p>IPO + Pre IPO ₹ 10,958 Mn</p>  <p>Kaynes Technologies November 2022 BRLM</p>	<p>IPO ₹ 8,808 Mn</p>  <p>Bikaji Foods November 2022 BRLM</p>	<p>IPO ₹ 11,040 Mn</p>  <p>Fusion Micro Finance November 2022 BRLM</p>
<p>IPO ₹ 3,094 Mn</p>  <p>Tracxn Technologies October 2022 Sole BRLM</p>	<p>IPO ₹ 5,000 Mn</p>  <p>Electronics Mart October 2022 BRLM</p>	<p>QIP ₹ 4,750 Mn</p>  <p>Ujjivan Small Finance Bank September 2022 BRLM</p>
<p>Offer for sale</p>  <p>Sterling & Wilson September 2022 Selling Broker</p>	<p>IPO + Pre IPO ₹ 9,501 Mn</p>  <p>Syrma SGS Technology August 2022 BRLM</p>	<p>Private placement ₹ 1,950 Mn</p>  <p>Greenlam Industries July 2022 Advisor</p>
<p>Open offer</p>  <p>Selan Exploration July 2022 Manager</p>	<p>IPO ₹ 15,808 Mn</p>  <p>Rainbow Children's Medicare May 2022 BRLM</p>	<p>IPO ₹ 4,128 Mn</p>  <p>eMudhra May 2022 BRLM</p>



Why IIFL Securities?

Rich legacy spanning more than two-and-a-half decades

We have been serving customers for more than two decades and have built significant expertise in creating mutually-rewarding, valuable customer relationships. Our Company has navigated several cycles of economic changes, evolution of regulatory and compliance framework and rapidly changing customer needs and preferences. In most of our businesses, we are among the leading players and enjoy strong brand recall with customers, business partners and all key stakeholders.

Serving customers
since 1996

0.5 Million
active customers on NSE



A thriving phygital network

We reach out to our customers through our robust phygital network of branches, franchisees, sub-brokers, digital platforms and digital partnerships. With this, we serve all sections of existing and potential investors irrespective of their background, age group or financial needs. We continue to strengthen this network based on the needs of our customers.

100+ Branches
across India

Superior financial profile

Our disciplined and prudent approach while managing our finances has helped us maintain superior financial profile relative to our peers. While ensuring that we give our customers the maximum value for their buck, we also focus on creating consistent returns for our shareholders. Our focus remains on maintaining the fulcrum between growth and profitability.

FY23 RoE
20%

FY23 Dividend
Payout Ratio
37%

A leading, full-service broking company

We provide our customers with a wide suite of investment solutions, aimed at meeting all their financial needs and objectives. Our products comprise equity, commodities and currency broking, demat services and distribution of investment products. Our enhanced focus is on serving customers in the affluent group segment to move up the value chain and provide them with bespoke products and services.

Proven track record of the management

Our founder – Mr. Nirmal Jain and co-founder Mr. R Venkataraman are industry veterans having nearly 3 decades of experience in the Banking and Financial Services sector. Our Board, comprises of Directors with strong expertise of the sector and our management team has been instrumental in steering our Company through seen and unforeseen ebbs and flows.

SDGs we contribute to

In 2015, United Nations Members States adopted “The 2030 Agenda for Sustainable Development”. This agenda details a roadmap to resolve the challenges faced worldwide across economic and non-economic aspects. It is focused on achieving peace, prosperity and driving sustainable and equitable development. This agenda is based on a set of 17 interconnected goals and 169 indicators.

IIFL Securities, being a responsible corporate citizen, contributes to some of these SDGs through its business and non-business activities. Our goal is to create long-term, sustainable value for all our stakeholders and contribute towards attainment of these Sustainable Development Goals (SDGs). We have reported our initiatives and performance towards achieving SDGs in our Integrated Annual Report.

Our SDG framework



CSR initiatives aimed at job creation/employability/skill development



Employee health and wellness initiatives, community initiatives aimed at addressing healthcare needs



Community projects, employee training, skill-based training for employees/communities



Women-centric community initiatives, empowering girl child, gender parity at our workplace



We are embracing renewable energy wherever feasible. Further, IIFL Foundation is also working with communities for installing solar panels, planting trees and so on.



Providing employment, contributing to the exchequer, inclusive growth of our communities



Adopting renewable energy across our locations



Community initiatives aimed at inclusive development of the underprivileged



Promoting responsible consumption of resources across all our locations



Ensuring high level of corporate governance, constantly benchmarking to adopt best-in-class practices



Forging mutually-rewarding partnerships with NGOs, fintechs and other value chain participants

Our integrated business model

INPUTS



Financial Capital

₹ **13,497** Million Equity Capital ₹ **4,858** Million Outstanding Debt



Physical Capital

100+ number of branches
7,593 number of Authorized Persons



Intellectual Capital

36 Research Analysts
95 Institutional equities team
₹ **97** Million investment in technology
Strong brand value and parentage of IIFL Group infrastructure



Human Capital

1,579 Employees
22% Female employees
10,172 Hours of Instructor-Led training provided
1,972 Aggregate training hours in e-Learning platform



Social and Relationship Capital

₹ **43** Million spent on CSR initiatives
990 Relationship Managers (RMs)
3 Million number of retail client base
850+ number of institutional client base



Natural Capital

Focus on efficiently consuming key natural resources of water and electricity

Retail Broking and Distribution

Enabling individuals participate in capital markets by facilitating right technology tools

Institutional Broking

Enabling institutional customers with strong research capabilities



Investment Banking

Enabling corporate customers with fund raising and allocation

Financial Products Distribution

Enabling individuals to gain access to right financial products



₹ **1,536** Billion

Average daily turnover (ADTO)



29

Investment banking deals



₹ **1,246** Billion

Assets under Management (AUM)



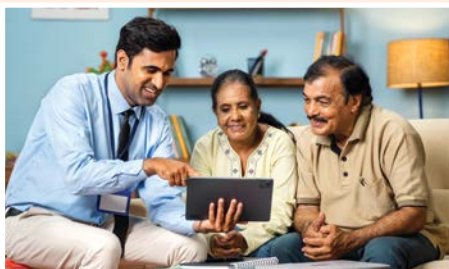
UNDERPINNED BY



Robust technology platform and open architecture model



Customer-centricity and focus on wealth creation



Extensive portfolio of offerings (own + third party)



Extensive distribution network

OUTCOMES

Financial Capital

₹ 13,704 Million Revenue	₹ 2,498 Million PAT
₹ 8.2 Earnings Per Share (EPS)	₹ 3.0 Per Share Dividend Payout
20% Return on Equity (ROE)	₹ 52,374 Million Total Assets



Physical Capital

3 Million customers served
95% increase in average daily turnover
 ₹ **1,246** Billion Assets under Management and Custody
3,065 new Authorised Persons added during FY 2022-23



Intellectual Capital

262+ Stocks covered for research
 Stocks under coverage account for **78%** of India's market capitalization
10.8 Million downloads
4.4 App rating



Human Capital

₹ **8.04** Million Revenue per employee
86% of employees trained during the year
 Great Place to Work Certified



Social and Relationship Capital

2,700 Beneficiaries from Sakhiyon Ki Baadi
4,14,820 Beneficiaries from the Smart Shaala project
60,000 Beneficiaries from development of emergency services at Maharana Bhupal Government Hospital, Udaipur, Rajasthan
0.4 Million customers acquired during FY 2022-23



Natural Capital

Received Gold Green Building Certificate from LEED for one of our office buildings
 Renewable energy used: **88.4196 GJ**
 Water harvesting in our Registered office
 Responsible disposal of e-waste: **0.96422** Tons



Our operating context

One of the fastest growing economies

USD 3.5 Trillion

India's GDP by the end of FY 2022-23

The Indian economy continues to perform well and remains one of the fastest growing economies in the world and the fastest growing Asian economy, and being a key economic engine. India's GDP has grown by 7.2% in FY 2022-23, against 9.1% in FY 2021-22. Despite challenges in the global environment, growth was underpinned by a strong investment activity, bolstered by the government's capex push and buoyant private consumption. As of FY 2022-23, India's GDP stood at USD 3.5 Trillion, nearly seven times lower than that of the United States. India has the potential to become a USD 40 Trillion economy by 2047 with manufacturing and services being the twin engines of growth.

Source: www.mospi.gov.in/sites/default/files/press_release/PressNoteQ4_FY2022-23_31may23.pdf

Source: <https://www.livemint.com/economy/bright-spot-in-global-economy-indias-gdp-has-touched-3-75-trillion-mark-in-2023-says-nirmala-sitharaman-11686564064530.html>

A strengthened regulatory framework

The journey of reforms in India's capital market started with the establishment of the Securities and Exchange Board of India (SEBI) in 1991, which has been instrumental in introducing several reforms to strengthen the regulatory framework. Measures such as introduction of insider trading regulations, implementation of electronic trading system, and establishment of a robust surveillance mechanism improved efficiency and market transparency. Introduction of the Negotiated Dealing System - Order Matching (NDS-OM), Legal Entity Identifier code (LEI) for OTC derivatives market, FX-Retail platform for overseas investors and setting up of an independent benchmarking administration (i.e., FBIL) are some key measures that have facilitated the ease of transactions and transparency in the capital market.

Source: <https://economictimes.indiatimes.com/markets/stocks/news/roadmap-for-reforms-in-the-indian-capital-market-in-2023/articleshow/96147434.cms?from=mdr>

Robustness in IPO market to continue

₹ 521 Billion

Funds raised through IPOs in FY 2022-23

The IPO market in India picked up momentum in the second half, with 37 Indian companies having raised ₹ 521 Billion through main board initial public offerings (IPOs) in the financial year 2022-23, the third-highest ever in terms of IPO fund raising. Even as Indian markets were volatile in FY 2022-23 with inflationary pressure, economic growth risks, geopolitical tensions and rising interest rates, the robust traction in IPO is expected to continue in FY 2023-24, driven by domestic retail and institutional capital, with close to 100 public offerings expected to be launched.

Source: <https://www.moneycontrol.com/news/business/markets/ipo-fundraising-in-india-drops-by-half-in-2022-23-but-third-highest-ever-recorded-10336401.html>

Source: <https://www.livemint.com/market/ipo/nearly-100-public-offerings-in-2023-how-experts-see-ipo-market-performing-11671816211607.html>

Participation from retail investors increasing

₹ 1.82 Trillion

Investment in India's capital market in FY 2022-23

Easy and improved access to digital financial services has resulted in increased participation of retail investors in the Indian capital markets. Increased retail participation is encouraging and has tremendous growth potential with significantly low demat penetration compared to developed nations. An investment of ₹ 1.82 Trillion in capital market in FY 2022-23 is due to strong interest from retail investors and reasonable valuations. The number of demat accounts increased to 106.17 Million at the end of November 2022, compared to 76.61 Million in the same period in 2021. More and more Tier 2 and 3 customers are also choosing to participate in the capital market and in India's growth story, showing the latent demand for accessible and affordable investment opportunities. Capital invested in equity has the potential to produce goods and services, add to GDP and create job opportunities.

Source: <https://economictimes.indiatimes.com/markets/stocks/news/mutual-funds-invest-rs-1-82-lakh-cr-in-equities-in-fy23-on-strong-push-from-retail-investors/articleshow/99384215.cms?from=mdr>

Source: <https://www.outlookindia.com/business/economic-survey-2022-23-demat-accounts-jump-39-yoy-in-nov-2022-mutual-funds-inflows-dip-news-258265>



Stock broking business on an uptrend

32%

Increase in Stock Broking Revenues in FY 2021-22

The Indian stock broking industry is still in its nascent stages of development and there is huge potential ahead, given the low penetration of equity investments in India, favorable demographics, increased financial awareness and technological development. With financial savings increasing, equity as an asset class will continue to remain attractive. The shift of trading platforms from offline to a mix of online and offline models continues over the years, leading to higher revenues for the broking industry. Revenues of the stock broking industry grew by 32% in FY 2021-22 on the back of growth in number of accounts and average daily turnover. Supported by healthy participation of retail investors, favorable liquidity in markets and higher internet penetration, the industry is expected to register an improved performance.

Source: <https://www.5paisa.com/blog/broking-industry-revenues-to-grow-32-in-fy22>

An under-penetrated securities market

106.17 Million

No. of Indians with a Demat Account as on December 2022

India is an under-penetrated market with tremendous demand from the small and middle-class segment, and semi-urban and rural India. As on December 31, 2022, only 106.17 Million Indians had a demat account, indicating plenty of room for the stock markets to penetrate further. This indicates the highly under-penetrated nature of India's securities market, with less than 6% of the 1.3 Billion people population having access to it. For India to become a capital markets hub, the country needs to engage a larger number of people into the securities market.

Source: <https://www.outlookindia.com/business/economic-survey-2022-23-demat-accounts-jump-39-yoy-in-nov-2022-mutual-funds-inflows-dip-news-258265>

Acceleration in financialization of household savings

₹ 315 Trillion

Projected increase in AUM of Managed Funds industry by FY 2026-27

The financialization of household savings is accelerating in India. The share of adult population with a bank account increased from 53% to 78% with government measures, which is improving financialization of savings rate of Indian households to one of the highest in the world. By 2021-end, domestic savings rate of 29.3% was higher than global average of 26.9%. Riding on the tailwinds of the past five fiscals, the managed funds industry in the country is likely to grow assets under management (AUM) to the tune of ₹ ~315 Trillion by FY 2026-27, based on an analysis by Crisil MI&A Research, compared to ₹ 135 Trillion in the earlier fiscal year.

Source: www.crisil.com/content/dam/crisil/our-analysis/reports/Research/documents/2022/12/the-big-shift-in-financialisation.pdf

Rising pace of digitalization

USD 800 Billion

Projected increase in India's digital economy by 2030

India is seen as a global hub for fintech innovation. Quick adoption of emerging technologies is an enabler for the growth. The COVID-19 pandemic has led to an inevitable surge in leveraging digital technologies. India's digital economy is expected to witness exponential growth to US\$ 800 Billion by 2030 on the back of digital public infrastructure, the development of UPI, and the COVID-19 pandemic. This pace of digitalization accelerated during COVID-19. Key drivers toward accelerated digital adoption are increased regulatory support and favorable digital public infrastructure, with UPI being the biggest success story.

Source: https://www.ey.com/en_in/e-commerce/india-s-consumer-digital-economy-a-us-800b-dollar-opportunity-by-2030

Our strategic priorities

S1

Focus on experience and ecosystem

FOCUS AREAS

S1.1

To build the most preferred online broking platform

S1.2

To build synergistic relationships with fintechs and deliver experiences that form habits

KPIs

- Number of fintech partnerships
- Online users

KEY CAPITALS INVOLVED



S2

Platform and systems

FOCUS AREAS

S2.1

To create a device-agnostic platform that serves the user's lifecycle

S2.2

To enable product personalization to meet user needs

KPIs

- Number of app downloads
- App ranking
- No. of customers using more than 1 product

KEY CAPITALS INVOLVED



S3

Strong research base

FOCUS AREAS

S3.1

To provide research-driven advisory assistance to customers

S3.2

To continue having excellent research credentials with strong market knowledge base

KPIs

- Stocks covered
- Market capitalization of stocks covered
- No. of research analysts

KEY CAPITALS INVOLVED



S4

Rich engagement and analytics

FOCUS AREAS

S4.1

To get a global view of customer behavior and data

S4.2

To nudge product decisions based on analytics

KPIs

- Investments made in data analytics
- Customer engagement

KEY CAPITALS INVOLVED





S5

Focus on the affluent segment

FOCUS AREAS

S5.1

Focus on affluent segment for broking and wealth management and developing deep advisory based relationships with customers

S5.2

Identifying growth opportunities and leveraging existing research capabilities

S5.3

Cross-selling risk-based solutions

S5.4

Our revised value proposition for the affluent customers

KPIs

- Revenue from affluent segment
- AUM from the affluent segment

KEY CAPITALS INVOLVED



S6

Attract and retain the best talent

FOCUS AREAS

S6.1

Identification of roles, responsibilities and skillset of sales and support staff

S6.2

Recruitment, training, hiring and modification in the incentive structure

S6.3

Digital capabilities and technology investments for employees

KPIs

- Employee retention rates
- Employee training hours

KEY CAPITALS INVOLVED



S7

Grow responsibly

FOCUS AREAS

S7.1

To identify and adopt superior ESG practices and serve all stakeholders in the best way

S7.2

To create a strong foundation for effective management of ESG matters and to integrate them into our business strategies

S7.3

To undertake every measure possible to focus on responsible use of resources through energy and water conservation and to minimize our carbon footprint

KPIs

- Environmental footprint of business
- Corporate governance practices
- Regulatory compliance

KEY CAPITALS INVOLVED



Financial Capital

Physical Capital

Intellectual Capital

Human Capital

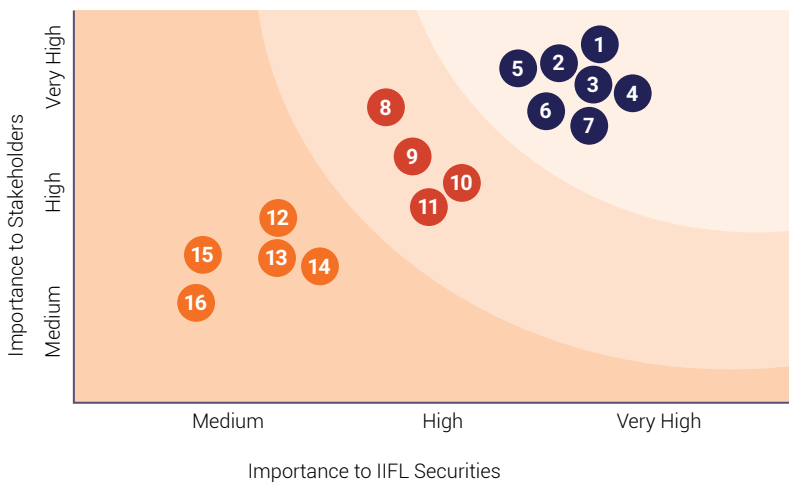
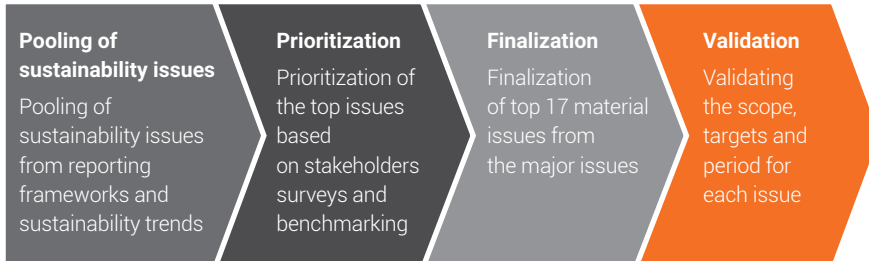
Social and Relationship Capital

Natural Capital

Addressing material matters

Materiality assessment at IIFL Securities

Four-step materiality analysis process



Material issues for IIFL Securities

Very High

1. Regulatory compliance
2. Risk management
3. Board and corporate governance
4. Data security and privacy
5. Products and services quality
6. Customer relationship management
7. Talent attraction and retention

High

8. Ethics and code of conduct
9. Community relations
10. Energy management
11. Climate change strategy






































Medium

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

Material topic	Associated disclosures	Description	Key stakeholders involved	Key capitals involved	SP	SDGs involved
Regulatory compliance	GRI 419: Socioeconomic Compliance	Being a financial services company, we are subject to several regulations. We have put in place a dedicated team of qualified professionals to ensure timely and effective compliance with all regulations applicable to our Company. Proper compliance with regulations helps us further strengthen our relationships with key stakeholders, in addition to fortifying our brand strength.			S7	
Data security and privacy	GRI 418: Customer Privacy MSCI	Large part of our business is conducted online and we have confidential and sensitive information of our customers. Thus, it is highly important for us to maintain high standards of security and protection, avoiding misuse of data. To this end, we follow a well-defined policy on data security and privacy. We have embraced a data-centric security strategy.			S1 S2 S4	



Material topic	Associated disclosures	Description	Key stakeholders involved	Key capitals involved	SP	SDGs involved
Board and Corporate Governance	GRI 102: Ethics and integrity, governance GRI 205: Anticorruption GRI 206: Anticompetitive behavior MSCI DJSI	It is our constant endeavor to keep enhancing our corporate governance and business practices, by benchmarking against best practices of domestic and global peers. Independent Directors form over half of our Board of Directors, enabling superior guidance and monitoring.	 	 	S7	
Risk management	GRI 102: General Disclosures SASB	In a constantly evolving and dynamic world, the importance of risk management has increased manifold. We follow prudent risk management practices. We are exposed to several financial and non-financial risks and opportunities. Therefore, risk management is aimed at optimizing the risk-return equation. We have also started analyzing ESG risks as part of our enterprise risk management framework.	 	 	S7	
Products and services quality	GRI 417: Marketing and Labelling	We are committed to provide best-in-class products and services to our customers. Our focus is on ensuring enhanced consumer communication and awareness is undertaken. We integrate trainings and awareness programs in our business activities.	 	 	S1 S2 S3 S4 S5	
Customer relationship management	GRI 416: Customer Health and Safety GRI 417: Marketing and Labelling GRI 418: Customer Privacy	Our aim is to serve superior customer experiences, create value for customers and build customer loyalty. To this end, we have adopted all-encompassing customer relationship practices. These include customer satisfaction surveys and studies, customer grievance redressal mechanism, upgradation of products basis the survey results, etc.	 	 	S1 S2 S5	
Talent attraction and retention	GRI 401: Employment GRI 404: Training and education DJSI	Our people are central to our growth as well as survival. We follow robust practices on recruitment, trainings, incentives and benefits, performance development, etc. Our holistic approach is crucial in retention of talented employees.		 	S6 S7	

Material topic	Associated disclosures	Description	Key stakeholders involved	Key capitals involved	SP	SDGs involved
Ethics and Code of Conduct	GRI 102: Ethics and integrity SASB DJSI	The values of fairness, integrity and transparency are deeply embedded in our ways of working. We have well defined code of conduct which streamline our processes efficiently. We have specific policies to curb money laundering, insider trading and encourage whistle blowing at the Company.	   	  	S7	
Community relations	GRI 413: Local Communities	We work continuously to ensure growth and development of the communities we operate in. IIFL Foundation focuses on the areas of health, education, livelihood and poverty alleviation for this purpose.		 	S7	    
Energy management	GRI 302: Energy	Being in the financial services sector, our energy consumption is lesser than manufacturing companies. However, we are aware of the pressing need for conserving nature and natural resources. Hence, we keep exploring and adopting practices and mechanisms to optimize energy management across our branches and offices.	  	   	S7	
Climate change strategy	GRI 302: Energy GRI 305: Emissions DJSI	Climate change is the harshest truth facing the world today. While risks of climate change are well known, it also provides opportunities for efficiency, innovation, and growth. Our climate change mitigation strategy is two-pronged. One is to reduce the carbon footprint of our operations across all locations. And second is to promote responsible investments and so on.	   	   	S7	
Employee health and safety	GRI 403: Occupational health and safety DJSI	Being a financial services company, there are no occupational health hazards faced by our employees. However, we believe it is extremely important to promote employees to maintain their emotional, mental and physical well-being. To this end, we have several initiatives in places including sessions with health experts, medical benefits, etc.		 	S6 S7	



Material topic	Associated disclosures	Description	Key stakeholders involved	Key capitals involved	SP	SDGs involved
Diversity and Inclusion	GRI 405: Diversity and equal opportunity SASB	We strongly advocate for a diverse and inclusive workforce. By embracing individuals from various backgrounds, cultures, and skill sets, we believe in harnessing the power of unique perspectives and ideas. This approach not only fosters all-round development but also drives efficiency across the entire organization.		 	S6 S7	
Water management	GRI 303: Water and effluents	While our direct environment footprint is negligible, we are exploring ways and means to enhance efficient consumption of water across our locations.	 	 	S7	
Waste management	GRI 306: Waste	We are exploring best practices for segregation, recycling and reusing wastes at our location. Disposal of e-waste is another focus area for us.	 	 	S7	
Human rights	GRI 412: Human Rights Assessment	Our commitment lies in embracing the best people practices and ensuring the utmost compliance with human rights laws that apply to us. We are continuously evaluating ways and means to further enhance our practices in this area, reflecting our dedication to creating a fair, inclusive, and respectful workplace for all.	 	 	S7	

● SP - Strategic priorities

- Financial Capital
- Human Capital
- Physical Capital
- Social and Relationship Capital
- Intellectual Capital
- Natural Capital

- Customers
- Business partners & vendors
- Employees
- Rating agencies and lenders
- Regulatory bodies
- Shareholders and investors
- Communities

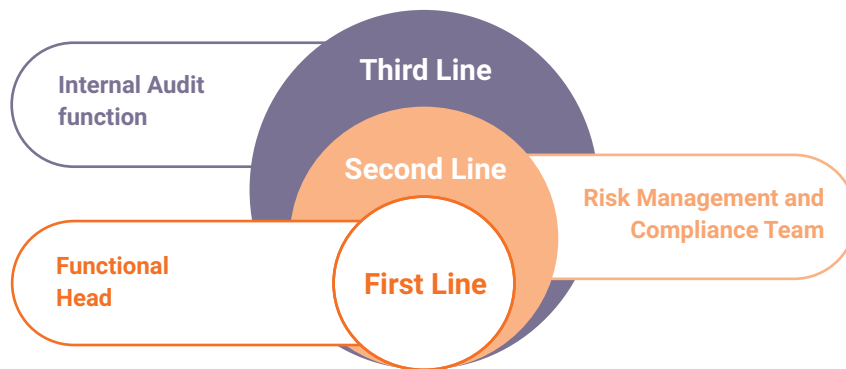
Risk Management

Risk Management is crucial for the Company as it preserves value, enhances decision-making, and ensures business continuity and resilience. It promotes compliance, reputation building and stakeholder confidence while driving long-term sustainability and competitive advantage.

The Company has a well-defined Enterprise Risk Management (ERM) Framework which provides systematic approach for identification, assessment, mitigation and reporting of various risks. The Company has integrated ERM into its processes, people and technology by embedding risk management practices into various business processes, fostering a risk-aware culture through comprehensive training and utilizing technology solutions for efficient risk identification and monitoring. This holistic approach enables the Company to proactively address risks, make informed decisions and enhance overall resilience in a rapidly changing business environment.



The Company has adopted three lines of defence for Risk management:



First Line

These are primary owners of risk and controls related to the functioning of their business unit/ department. They operate within the risk management framework and risk tolerance limit. They provide inputs for risk management activities by identifying risk and designing effective controls.

Second Line





The second line of defence provides a crucial layer of protection for the Organization by providing oversight and monitoring of the risk management activities of the first line of defence. Majorly they assess and identify risks affecting the business, co-ordinate with all departments within the Company and conduct risk awareness programs to ensure that all stakeholders understand and participate in the risk management efforts.

Third Line

It provides assurance to the Board/ Committees that the Organization's risk management processes are working as intended and that risks are being effectively identified, assessed, and managed. This involves evaluation of risk management process and recommending improvements to the current policies and procedures for effective risk management.



The Company is exposed to various risks that are either inherent to the business or to changes in external environment. Some of the risks to which the Company is exposed along with its mitigation measures are provided below:

Risk	Description	Mitigation Measures	Key Capitals involved
 <p>Regulatory Risk</p>	Regulatory risk involves potential negative consequences arising from changes in regulations or non-compliance with applicable laws.	The Company stays updated with the regulatory changes and ensures compliance of all applicable laws/ regulations. The Company engages with the regulators on regular basis to build strong relationship.	
 <p>Operational Risk</p>	Operational risk involves potential financial losses and reputational damage arising from internal failures in processes, systems, and human factors.	The Company implements robust internal control, conducts regular risk assessments, and invests in technology and resources to bolster cyber security, prevent fraud and cyber-attacks.	
 <p>Technology Risk</p>	Technology risk encompasses potential negative consequences arising from issues with technology infrastructure, data security, and cyber threats, which can lead to financial losses and reputational damage.	The Company invests in technology and cyber security measures, conducts regular risk assessments, and maintains business continuity plans.	
 <p>People Risk</p>	People risk pertains to potential adverse effects due to factors related to its workforce, such as talent shortages and inadequate workforce management.	The Company invests in its employees through training and development programmes, implementing effective talent retention strategies and fosters a motivated work culture.	
 <p>Liquidity Risk</p>	Liquidity risk involves the potential difficulties the Company may encounter in meeting its financial obligations and or take advantage of the business opportunities.	The Company maintains adequate liquidity buffers, diversifies funding sources and monitors cash flow.	
 <p>Third-Party Risk</p>	Third-party risk pertains to potential adverse effects resulting from the actions or failures of external entities the firm relies on for business functions.	The Company conducts thorough due diligence on potential partners, has established robust contractual protections and continuously monitors third-party performance and compliance.	
 <p>ESG Risk</p>	ESG risk refers to the negative impacts that Environmental, Social, and Governance factors can have on a company's operations and reputation.	The Company periodically engages with all its stakeholders and addresses environmental concerns through eco-friendly technologies and promotes social well-being through fair labor practices and community development, and ensures ethical business practices and enhanced governance standards.	

Financial capital

Material issues involved

- Board and corporate governance
- Ethics and code of conduct

SDGs served



Driven by the affluent broking and distribution businesses, our Company performed well. During the year under review, we worked towards sharpening our strategies, creating granular revenue streams and diversifying income sources.

Our financial strength

We have a consistent and disciplined approach to capital allocation, prioritizing investment in the business to deliver efficient growth.

A culture of efficiency

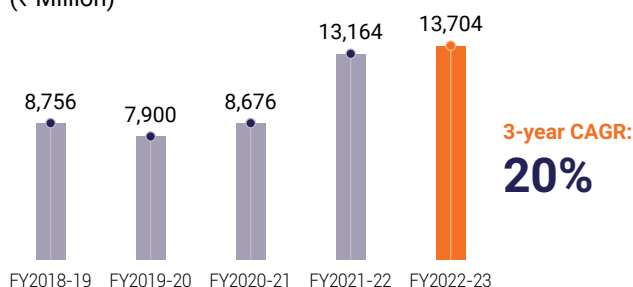
A culture of efficiency and effectiveness is embedded across IIFL Securities, and we continue to deliver progress on productivity, and continuously challenging ourselves to simplify and automate more of our systems. Our continuous endeavor to invest in technology and human resource will yield results and provide better outcomes in the year ahead.

Rewarding shareholders

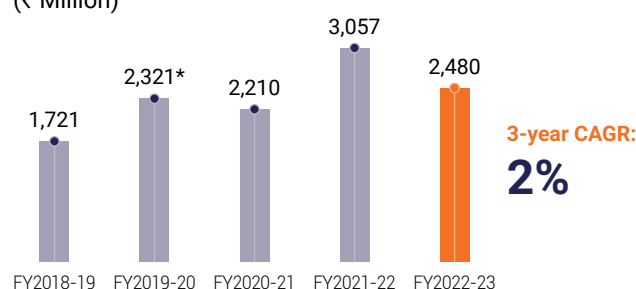
During the year, we paid a dividend of 37%, amounting to ₹ 3 per equity share.

During the year, the Company declared an Interim Dividend of ₹ 3 per equity share, on a face value of ₹ 2 each share.

Total revenue (₹ Million)

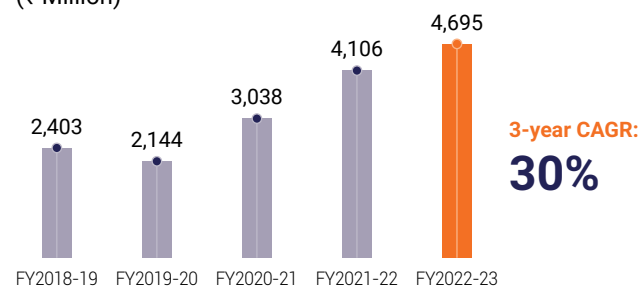


Profit after tax (TCI) (₹ Million)

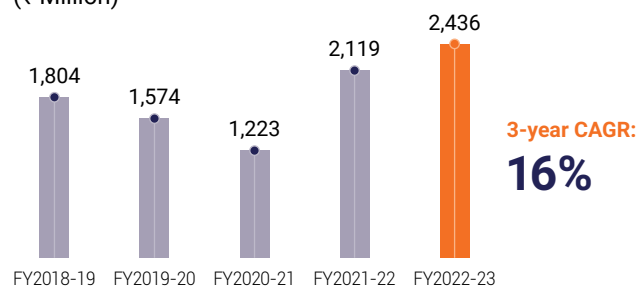


* Including exceptional items

Retail brokerage income (₹ Million)



Financial products distribution income# (₹ Million)



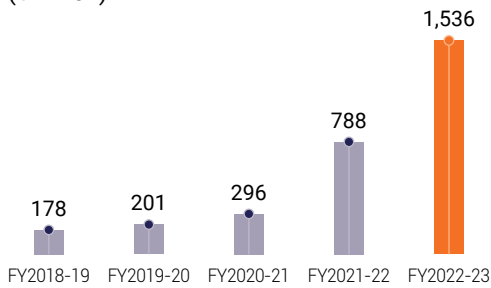
#Also includes Income from Insurance



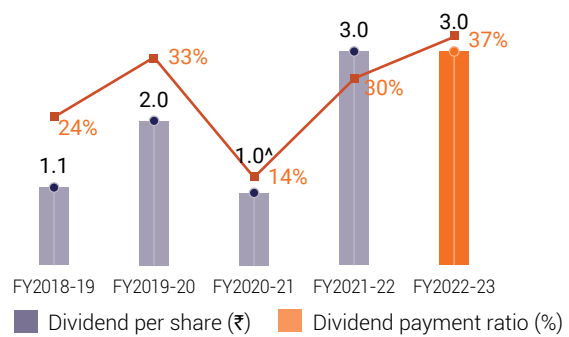
Mr. Ronak Gandhi
Chief Financial Officer

During the year, we have seen strong growth in our Broking and Financial Products Distribution Income. We have reinstated our commitment to financial transparency and strong corporate governance, maintaining the highest standards in all our financial reporting practices. Maintaining a strong balance sheet and robust liquidity position has provided us with the resilience to navigate through the dynamic market conditions, ensuring we are well positioned to meet the evolving needs of our stakeholders. Creating value for our shareholders remains at the core of our mission. Our healthy dividend pay-out ratio reflects commitments to rewarding your trust and confidence in IIFL Securities.

Average daily turnover (BSE+NSE)
(₹ Billion)

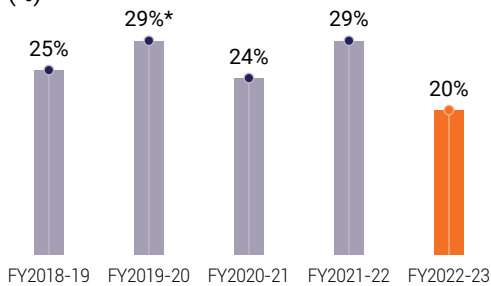


Dividend per share and dividend payment ratio



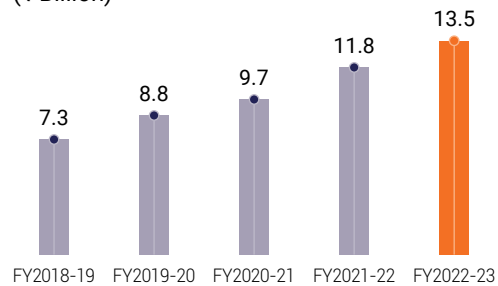
^Additionally, the Company had also paid ₹ 1,058 Million (incl. tax) to buy back 17 Million shares

Return on equity
(%)

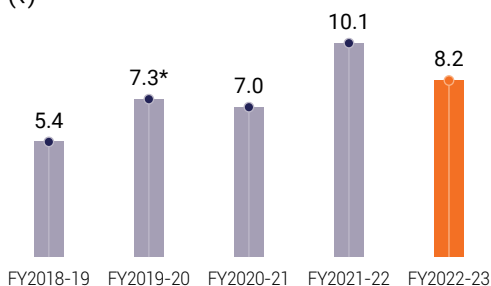


**Including exceptional items*

Net worth
(₹ Billion)

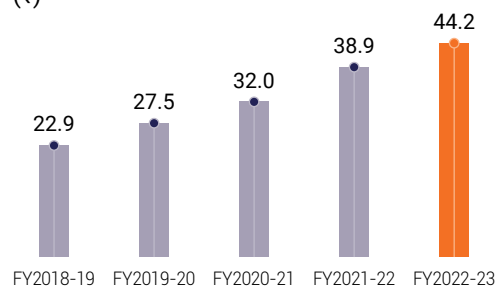


Earnings per share
(₹)



**Including exceptional items*

Book value per share
(₹)





Physical capital

Material issues involved

- Customer relationship management
- Energy management
- Climate change strategy
- Water management
- Waste management

We have a thriving distribution network comprising of our own branches and Authorized Persons.

This model combines the best of direct and indirect reach, enabling us to best serve our existing customers while reaching out to potential customers with relative ease.

Sustainable Development Goals Served



Geographical Presence

2,000+

Towns and Cities

36

States including UTs

100+

Branches

7,593

Authorized Persons

Our branches, relationship managers and digital platforms help us acquire and serve customers at a reasonable cost of customer acquisition.



 Presence of IIFL Securities Branches (States & UTs)



Intellectual capital

Material issues involved

- Data security and privacy
- Products and services quality
- Regulatory compliance

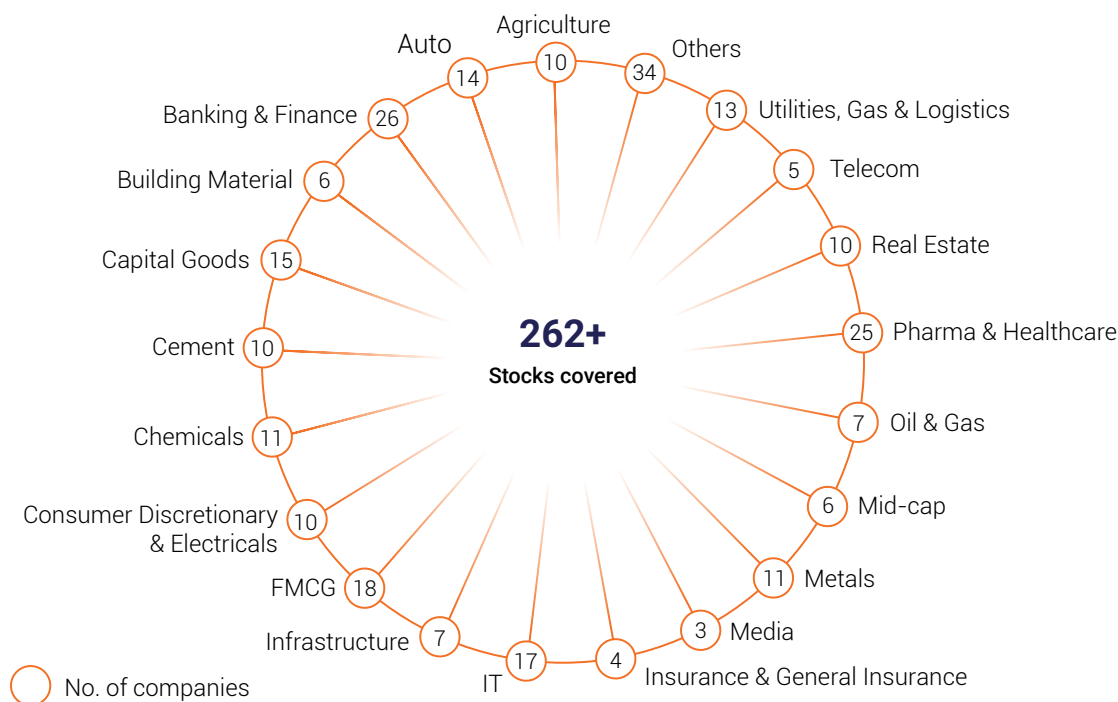
Sustainable development goals served



Our digital capabilities, along with our ability to provide best-in-class offerings to our customers give us a sustainable competitive edge in the market. In addition to our technology and digital capabilities, our best-in-class research capabilities also form part of our intellectual capital. Our focus is on constantly enhancing the quality, depth and insights provided by our research team. The team of research analysts has strong expertise in the respective sectors that they track. Our research reports, research calls and content empower our customers to make better, more informed investment decisions. Our research team caters to sovereign wealth funds, foreign portfolio investors, mutual funds, insurance companies, banks, pension funds and alternate investment funds.

Sector-wise mix of stocks covered

IIFL Research coverage companies (as on March 31, 2023)



Market capitalization-wise mix of stocks under coverage

51

Above US\$ 10 Bn

39

Between US\$ 5 Bn and US\$ 10 Bn

47

Between US\$ 3 Bn and US\$ 5 Bn

65

Between US\$ 1 Bn and US\$ 3 Bn

33

Between US\$ 500 Mn and US\$ 1 Bn

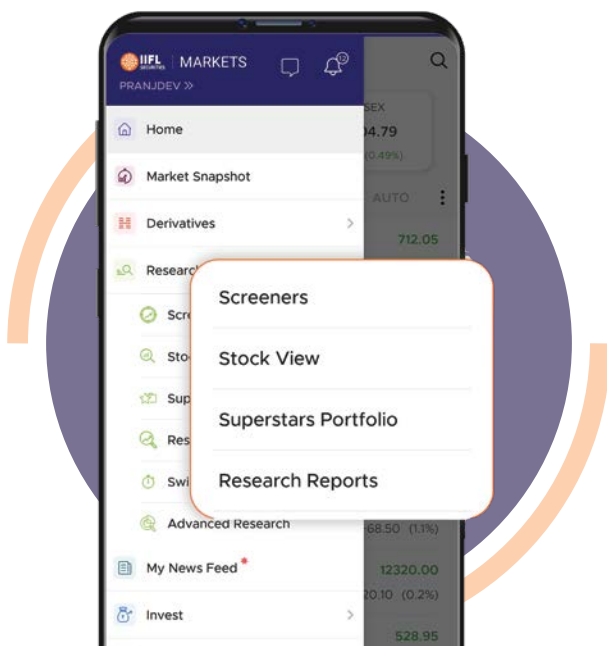
27

Below US\$ 500 Mn



We remain focused on leveraging technology to transform our offerings and empower our customers in making better financial decisions.

Our tech-led efforts are aimed at delivering a seamless and personalized experience, enhancing the advisor-customer relationship and helping customers achieve their financial aspirations with confidence and clarity.



Leading with innovation and technology

Our Company is currently focused on leveraging technology to transform its offerings and empower customers in making better financial decisions. Through continuous innovation and a customer-centric approach, we are developing a comprehensive platform that provides a 360-degree view of investment portfolios, goal planning and financial planning tools, custom advisory solutions, sophisticated analytics, and personalized financial advice. Alongside these advancements, the Customer

Relationship Management (CRM) system is being enhanced for efficient customer management, implementing advanced risk management tools, integrating cutting-edge communication tools, and leveraging data aggregation and insight engines. These efforts aim to deliver a seamless and personalized experience, revolutionizing the advisor-customer relationship and helping customers achieve their financial aspirations with confidence and clarity.



Technology

- IIFL Markets App
- Advisor Anytime Anywhere
- IIFL Mutual Funds App

Innovations

Below are some of the new products or digital technologies introduced during the year and key improvement initiatives undertaken in existing ones:

- Partnership with WealthDesk to offer a premium wealth management experience
- ETF portfolios from Abakus Asset Manager and Renaissance Investment Managers
- Partnership with Alphaniti to allow investors to invest and trade in stock offerings such as its unique single stock recommendation engine 'Alphagenie'

- We have integrated with Willjini to provide online will services
- Also introduced features on the mobile app like advanced option chain, native-charts, one-click IPOs, etc to name a few
- Launched Gro-Box - a one click portfolio investment solution for our customers
- Partnered with Tradebox to offer derivative baskets for trading
- Launched realtime Buy Now Pay Later (BNPL) pledge to allow seamless transaction flow for margin funding
- Launched NOVA - a market place for Open-APIs and fintechs

Integrating cyber security into risk management

In order to win and maintain the trust of our customers, we are dedicated to persevere confidentiality and maintain integrity of data and thereby, achieve positive business outcomes and increased shareholder value.

An integrated cyber-security risk management strategy, involving resources of activities of the entire organization, is needed to achieve positive business outcomes, including improved regulatory alignment and effective risk management. At IIFL Securities, we understand the importance and complexities of cyber threats and information security.





Our Company has adopted defence-in-depth approach to safeguard itself and customer information. Our information security and related processes are aligned with SEBI, ISO 27001, and the industry standard security solutions are implemented to control security and cyber risks.

As part of the information security framework to manage risk to systems, networks and databases from cyber-attacks and threats, we have formulated a comprehensive Cyber Security and Cyber Resilience Policy, in accordance with the SEBI circular. As per the Policy, System Audit is undertaken by the auditors recognized by either exchanges or depositories. Such audits are conducted on a periodical basis and their reports along with necessary action taken reports are reviewed by Audit Committee.

The management periodically reviews various technology risks such as protecting sensitive customer data, identity theft, cybercrimes, data leakage, business continuity, and access controls, among others. Our Company has put in processes, systems and tools for ensuring vigilant monitoring, audit logging and suspicious activity reporting.

We have deployed tools for mitigating various security risks - privileged identity management to control privilege access, advanced malware detection and protection, end-point encryption, mobile device management, network firewall to protect from cyber-attacks, web application firewall to protect from hacking, web secure remote access from non-office network, brand protection to protect abuse of IIFL Securities Brand, dark web monitoring to monitor the organization information and customer data and secured internet access.

Key cyber security initiatives taken in FY 2022-23

<p>Implemented Security Operations Center (SOC) as a managed service to monitor systems and applications 24/7 for any abnormality.</p>	<p>Strengthened security controls at various layers as well as fortified Vulnerability Assessment Penetration Testing (VAPT) and vendor risk management process.</p>	<p>Enhanced Business Continuity Plan Framework with implementation of IT DR Site for Critical Systems and Applications.</p>
--	--	---

Key impact areas and achievements

<p>No cyber security incident occurred during the year</p>	<p>ISO 27001:2013 Certification cleared</p>
<p>★ ★ ★</p>	<p>★ ★ ★</p>



Human capital

Material issues involved

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

SDGs served



Mr. Deepan Rajee
Head - Human Resources
IIFL Securities

At IIFL Securities, we prioritize our employee’s well-being by creating a nurturing work environment that supports their growth. We empower them through upskilling opportunities, encourage work-life balance and foster a culture of diversity and inclusion. These core values form the foundation of our employee value proposition, driving our commitment to their success and satisfaction. The Great Place to Work certificate validates our commitment to these principles, inspiring us to further enhance our industry-leading people practices, ensuring our employees’ continuous wellbeing, growth and success.

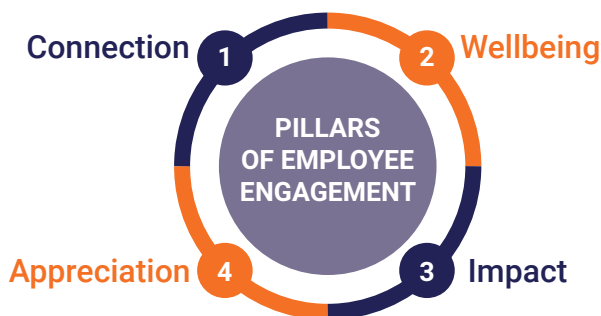
The Company has a meritocratic, transparent and equal opportunity culture. Our people are at the core of our business. We continuously strive to create an environment that brings out the best in our people to passionately serve our customers, deliver operational excellence and contribute to achieving sustainable growth.

As on March 31, 2023, our Company had 1,579 employees, including 136 Engineers, 558 MBA graduates and 32 Chartered Accountants.

Key initiatives

Employee Value Proposition

We prioritize nurturing a talent pool, which remains aligned to organizational goals and helps us transform customer experience. We are also imbibing future readiness into the workforce by ensuring organization-wide learning.



Talent Acquisition

We are leveraging the 'Being Future Ready' strategy, which focuses on making the organization 'young' through various hiring programs. We hire the best minds who can be groomed and nurtured to be future leaders under the campus hiring program. To bridge the skill gap for roles, especially in the Sales function, we introduced a Diagnostic Test, critical to quality parameters during the candidate screening process to ensure hiring of candidates with the right skill-sets.

Our people make the difference. We have created an environment where our people feel they are treated fairly and with respect. We act with integrity to ensure we are doing business in the right way, meeting external expectations and our own standards. We provide our people with robust career and development opportunities and an inclusive environment that harnesses their diversity.

Talent Management

Building a diverse and inclusive culture has been our key focus over the last few years. Towards this, we have in place a Diversity and Inclusion Policy. Also, the Company has launched a day-care facility 'iCare' for children of



our employees. iCLAP is our rewards and recognition platform which keeps alive our culture of appreciation through monetary and non-monetary reward programs. An organization-wide reward and recognition award "i3 Awards" has been launched for a consolidated way of recognizing talent in our Company.

We have an effective employee learning and development program to foster a learning culture within our organization. We provide a mix of e-learning and classroom training opportunities to cater to the various learning needs and appetite of the employees. This includes external certification programs, workshops, webinars, self-paced modules and on-the-job training.

At IIFL Securities, we work continuously to provide our people with opportunities to voice their opinion. To this end, we continue to work on strengthening our listening culture and platforms for top-down communication. Our employees participate in a bi-annual employee engagement survey.

Employee Development

We have adopted a holistic approach to talent management that caters to the overall development needs of our employees. We embed fair, inclusive and transparent practices across the employee lifecycle from hiring to retirement. Data-driven and analytics-based tools are employed for identifying skilling requirements, hiring, employee engagement, employee performance management and strategic workforce planning.

Health and Well-being

A healthy and engaged workforce is a key enabler of business success. Health and well-being initiatives are vital to retain good talent, maintain employee satisfaction and address turnover and absenteeism. During the year, we instituted several policies and initiatives to promote the wellbeing of our employees.

- We encourage our employees to report on hazardous situations, enabling us to take corrective and preventive action
- Periodic fire evacuation drills and trainings are also conducted for our employees
- We provide term life insurance, health insurance and group personal accident insurance to all our employees

With a firm gaze on the physical, emotional and mental health of our employees, we launched the iFIT boot camp and collaborated with YOURDOST especially for nurturing the mental well-being of our employees.

The poster features the iFIT logo with a stylized figure, the text 'iFIT BOOTCAMP', and 'Independence Day Virtual Run took place on 15th August 2022.' Below this is a photo of a man and a woman flexing their muscles. At the bottom, a purple box lists the finishers' names in two columns. Logos for 'Great Place To Work Certified' and 'IIFL SECURITIES' are in the top corners. A 'LIVE BETTER GET FITTER' logo is in the bottom right corner.

FINISHERS:

Arun Padmanabhan	Jagdish Shende
Bhavesh More	Kumar Dhananjay Alok
Deepak Soni	Mahendra
Gunasekaran R	Rakesh Tiwari
Harsh Pareek	Soumopriyo Bose
Ishan Pandya	Sunil Kumar

In collaboration with

Humans of IIFL Securities

This series highlights the inspirational stories of our employees. All these stories are with an underlying theme and not limited to resilience, innovation, leadership, equality and relationships. Nominations have been invited from employees to share their stories with us.


#Humans
OfIIFLSecurities

Family can help you sail through storms.



Anirudh Lotiya
Assistant Manager -
Secretarial Compliance

I come from a middle class family and I am no stranger to adversity. Growing up, I saw my parents sell vada pavs to make ends meet. My brother and I studied under streetlights to ease up on expenses. I also remember fetching 500 litres of water every day to help with water shortage issues at home.

My brother and I shouldered the burden of being our family's way out of poverty. Our only hope was that we'd receive a good enough education to become successful and pull our family out of this situation.

Once college began, we found out that my parents could only pay for one of us. Since asking people for money was not an option, I chose to put my life on hold so my brother could complete his education and make something of himself.

However, tragedy was waiting just around the corner.

A few years later, our home caught fire due to a short circuit. We lost everything - educational certificates, books, identity certificates - all of it went up in ashes. Above all, we lost hope. However, every dark cloud has a silver lining. And that silver lining was my brother.

My brother cleared his CA and got a job in the UK. We always said that we'd have each other's backs and he kept his word. Thanks to his efforts, I was able to complete my education and become a lawyer.

Life has taught me the importance of consistency, perseverance, patience, hard work, courage and confidence. It wasn't an easy ride, but over time I realized that family is all the strength I needed to weather any storm life threw my way.

Surrender to your family and God will surrender to you.

YOURDOST

Without effective support, mental disorders and other mental health conditions can affect a person's confidence and identity at work, capacity to work productively, attendance and the ease with which they retain or gain work. Twelve billion working days are lost every year to depression and anxiety alone. With YOURDOST, each employee has access to a mental health expert and

counselling services. The maximum usage of this platform is on the first two days of the week.

- Thoughtful Tuesday series provides information on several well-being practices and leads the employees to use counselling services
- Mailers are sent to employees to raise awareness around mental well-being and nudging them to avail of counselling services
- In October 2022, we celebrated Mental Health Week by conducting webinars around mental well-being throughout the week

Employer Branding

Having a strong employer brand that potential candidates can access at any time enables them to see their potential fit to the organization. It is essentially the matchmaking stage for our Company and potential candidates. It also conveys brand value.

When the organization commits to an employee-centric company brand, intentionally engaging employees becomes an intrinsic component of the company culture. The outcome of intentional employee engagement is increased productivity and profits. Our LinkedIn page has been used as a powerful tool for employer branding, with followers having increased from ~4,000 to ~18,000 within one year. This page captures the latest events and is a platform to showcase the culture of the organization.

Amber

Amber by inFeedo™ is an AI BOT that has intelligent conversations with employees to identify those who are unhappy, disengaged or about to leave. Amber has been positioned as the Chief Listening Officer to the Head Human Resources.

Other Initiatives

Our Company understands the importance of celebrating cultural festivals and events. During the year, we celebrated key festivals and events, as mentioned below:

- Celebrated Navratri with a Garba event
- Celebrated International Yoga Day





- Organized blood donation drives
- Celebrated significant days like Giving Thursday, Secret Santa, Bring your Kids to Work Day, Diwali Celebrations, Employee Tambola, and Fun Fridays, among others

Diversity and Inclusion

Diversity in the workplace is essential to fuel innovation and enable better decision-making. We understand the value of a diverse workforce and are committed to take initiatives to advance diversity and inclusion within the organization.

All our employees are subject to our Company's policies, practices, and processes. Everyone is treated fairly, irrespective of their age, race, religion, creed, color, national origin or ancestry, physical or mental disability, marital status, gender, gender identity/ expression, sexual orientation, ethnicity, indigenous belonging, minority, political belonging, socio-economic status or any other basis safeguarded under any law or ordinance or regulation.

In order to maximize the efficiency of our workforce, we remain committed to:

- Promote equality at the workplace and provide equal opportunities to all employees based on merit
- Create an environment in which individual contributions of all team members are recognized and valued
- Create a working environment that promotes dignity and respect of every employee
- Respect the right of privacy and confidentiality of every individual and handle employee-related personal data in a systematic manner

- Support and encourage everyone to build their skills and maximize their potential. The basis of training, skill set development and progression for any employee shall solely be based on qualification, eligibility and own merit

Our Human Resources (HR) team has been entrusted with the responsibility for the on-ground compliance with our Diversity and Inclusion Policy, which also involves conducting annual refreshers and generating stakeholder awareness on diversity issues. Further, we have an Equal Employment Opportunity Policy aligned to the Rights of Persons with Disabilities Act, 2016. Our large corporate offices are equipped with facilities to accommodate differently-abled individuals, ensuring an inclusive and accessible workspace for everyone. In addition, we undertake several initiatives to promote diversity and inclusion in the workforce.

Employee Benefits

We provide various benefits to our full-time employees, some of which are customized to select employees based on their grade and role. Benefits provided include accident insurance, health insurance, parental benefits, provident fund and gratuity. Details of these benefits are available in employee-specific policies.

Great Place to Work Survey

Our Company promotes a collaborative and inclusive work environment. Our employees have worked together to make IIFL Securities one of the most desirable workplaces with their passion and commitment to excellence. Our combined efforts were indicated with a Great Place to Work certification.

Awards and Recognition

We believe in encouraging and appreciating our employees through formal recognition programs. This motivates us to stay ahead of the curve and nurture a driven workforce. Some of our recognition platforms have been detailed below:

- iCLAP is an online appreciation platform encouraging employees to express gratitude to other employees and celebrate achievements
- 'Cheers for Peers' is one program hosted, where employees appreciate their peers by sending badges. Over 702 badges were exchanged in FY 2022-23
- CMD award is an annual excellence award that celebrates outstanding performers
- i³ awards is a quarterly RNR platform for Sales and Support with well-defined criteria and categories of awards

Human Rights

Our Company respects human rights of all stakeholders and ensures adherence with laws safeguarding these universal rights. We have formulated a Human Rights policy that outlines our commitment to the United Nations' Universal Declaration of Human Rights, the International Labor Organizations' (ILO) core labor standards and national laws. The HR function oversees the implementation of this policy.

Prevention of Sexual Harassment (PoSH)

Our Company has a zero-tolerance policy on sexual harassment, and we have established proper systems, processes and policies to safeguard our women employees. This policy aims to prevent, prohibit and redress any misconduct. In accordance with the requirement of the Sexual Harassment of Women at Workplace Act, 2013, our Company has set up a dedicated internal committee. Details of sexual harassment complaints are provided in the Business Responsibility and Sustainability Report.

Employee Grievance Redressal Policy

At IIFL Securities, we consider our people to be the most valued assets and are committed to providing the best opportunities to them. We have a robust and efficient employee grievance redressal policy and our employees are made aware of these policies through periodic e-mails. The Whistle Blower policy and framework for stakeholders raises concerns over the digital platform that safeguards the whistle blower's identity. We have zero tolerance for workplace retaliation of this policy. We also have zero tolerance for forced and child labor and support freedom of association.

Learning and Development

Our success and market leadership can be attributed to the skills and knowledge of a talented workforce. Hence, there is a constant focus on capability development in line with the business strategy.

External certification based on the role

In a bid to upskill our wealth relationship managers (RMs), we have introduced Wealth Management Certification (accredited by NiSM under the SEBI Investment Advisor Regulations, 2013).

This two-month learning journey comprises of 12 trainer-led sessions, multiple online self-paced modules, case studies followed up with mock test and final certification exam. It was designed to develop and nurture a cadre of qualified advisors to build wealth for their customers through a robust process that links financial assets and financial goals. At present, we have 217 certified private wealth managers in our Premia channel.

Customized skill enhancement workshops across the Organization

A one-day experiential workshop "Sharpen the Saw" designed to focus on sharpening interpersonal skills of RMs was conducted to help them increase their customers wallet share using upsell and cross-sell strategies. Similarly, a 17-hour ILT module has been conducted to address the gaps of our customer service agents. We conduct refresher training of two hours every Saturday based on the monthly quality scores of customer service agents. Our learning culture includes continuous, purposeful programs aimed at developing employees to their full potential through various skill enhancement workshops and product/technical sessions based on the evolving business requirements.





Leadership Development

Organizational competency framework

We successfully completed the competency mapping exercise of identifying critical competencies (based on Critical Success Factors) across all the functions at IIFL Securities. There was a structured process adopted through a line of focused interviews with key stakeholders and our consistent and star performers. Based on the collation of data, information and industry benchmark; we have finalized the core competencies, the functional competencies and level-wise proficiency for each role. The key objective of this exercise was to enable our leaders to successfully align their team's KSA (Knowledge, Skill and Abilities) with Organizational priorities, resulting in business improvement and efficiency.

DISC profiling and training session

We have conducted PPA Assessment (Personal Profile Analysis) and 2-hours session on DISC Awareness for 75 mid and senior management employees from Sales and Support. PPA Assessment is a work-oriented inventory and mostly used to gain insights of an employee behavior and priorities at workplace. The key objective of DISC for leaders was to equip our leaders to use the insight from their report to take informed decisions and flex their style as per the DISC type of their team and stakeholders.

**DISC is an acronym that stands for the four main personality profiles described in the DISC model: (D)ominance, (I)nfluence, (S)teadiness and (C)onscientiousness.

E-learning through learning management system "Moneyversity"

This is a one-stop destination for learning at IIFL Securities which has been developed and deployed online, and is well supported by technology enablers, to enhance the user experience on anytime, anywhere learning. We have curated various scorm modules, capsular programs, and byte-sized learning to educate our employees on compliance courses and other role-based functional skills.

Awareness on compliance and policies

All our eLearning awareness/compliance courses are curated to educate our employees about the organization's regulations, policies, or adherence to laws. Compliance training is an ongoing process and hence in every financial year; we ensure our new and existing employees complete the online self-paced modules by certain deadlines. Moreover, we have a blended learning approach for educating our employees on our Company's policies. There is an essential practice to run a campaign on creating awareness about the policies. This campaign begins with circulating customized creatives/mailers to all the employees which are then followed up with quiz-based ILT to gauge their understanding on the same.

Compliance module coverage

Module name	% Employees covered
Anti Money Laundering (AML)	95%
Business Responsibility & Sustainability Report (BRSR)	75%
Prevention of Sexual Harassment (POSH)	92%
Environmental, Social and Governance (ESG)	86%

Instructor Led Training (ILT)

9,852

Aggregate training hours

This comprises of all the sessions conducted in FY 2022-23 through classroom and virtual training.

e-Learning platform

1,972

Aggregate training hours

This comprises the aggregate training hours through our e-learning platform "Moneyversity".

Gender-wise training hours for ILT

8,148

Training hours for men

1,704

Training hours for women

Gender-wise training hours for e-learning

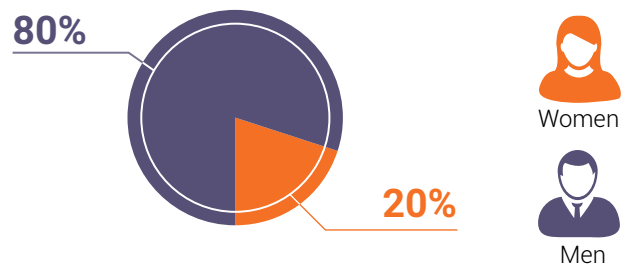
1,537

Training hours for men

435

Training hours for women

Average ratio of men and women in all classroom and e-learning modules





Social and relationship capital



Material issues involved

- Community relations

SDGs served



India Infoline Foundation (hereinafter referred to as “IIFL Foundation” or “the Foundation”), a wholly-owned subsidiary of our Company was set up to facilitate and channelize all the CSR initiatives of IIFL Group.

IIFL Foundation aims to build a more sustainable, responsible and inclusive society, and create a positive impact. Through targeted support and investment in focused initiatives, IIFL Foundation contributes to the social and economic well-being of marginalized communities.

EMPOWERING COMMUNITIES

Smart Shaala, Rajasthan

The Smart Shaala program by IIFL Foundation focuses on improving learning outcomes of students and academic capacity building of teachers in government schools. For this, the IIFL Foundation partnered with SAMPARK Foundation, the implementing partner, on a long-term basis. The program is operational in all five aspirational districts of Rajasthan, namely Dholpur, Baran, Karauli, Jaisalmer and Sirohi.

The program is frugal, tech-driven and has a lot of innovative components that make learning interesting for students. Some examples of these are – an audio box covering topics in English and Math Teaching/Learning Materials (TLM) kits, and a BOT-enabled mobile app that works without the internet. A major distinctive factor of the program is the intensive and interactive teacher training sessions, which when coupled with the mobile app, a free learning platform for teachers, offer a non-judgmental space for learning and academic development. The rigorous real-time monitoring ensures effectiveness.

The program is being implemented in partnership with the state government and is approved by the NITI Aayog.



Support to school for the underprivileged, Mumbai

200

Students being provided free education

IIFL Foundation supports the education of children from financially weaker sections of the communities residing at Janupada, Vaibhav Nagar, a slum settlement located at Kandivali (East) in Mumbai. Parents of almost 90% of the enrolled students earn their livelihood through menial occupations and find it difficult to offer quality education to their children. Facing scarcity of funds, the school was on the verge of closing down in 2018. IIFL Foundation has since helped the school management sustain its operations by offering free education to children.

Aspiration districts covered	5
Number of government schools engaged with	5,910
Engagement with teachers (Direct beneficiaries)	11,802
Engagement with students (Direct beneficiaries)	4.03 Lakh



Madhu Jain
Director,
IIFL Foundation

During FY 2022-23, IIFL Foundation continued to implement need-based projects to uplift the marginalized communities. Our emphasis was on providing them support in the areas of HELP – Health, Education & Environment, Livelihood and Poverty Alleviation. To this end, we implemented some new projects and enhanced the reach of our long-term projects such as Sakhiyon Ki Baadi. Going forward, we will monitor the qualitative and quantitative impact of our projects in greater detail and will take up new projects aimed at achieving greater good for the underprivileged.

Retail sales associate training program, Jammu & Kashmir

180

Youth benefited through the Retail Training Program



This program is aimed at training 180 youth (men and women aged 18 years and above) from Kupwara, an aspirational district in the Union territory of Jammu & Kashmir. The program intends to reach out to young men and women and offer them an opportunity to develop as professionals in the retailing industry and thus build a promising career.

On successful completion of the course, participants receive certification from the Retailers Association's Skill Council of India (RASCI), the apex skill development council for India's retail industry. The program comprises of classroom sessions and is supplemented with visits to the marketplace to equip participants with relevant job skills. Kupwara is one of the remotest districts in the country and the availability of resources (necessities) like safe drinking water, roads and electricity is scarce, and it happens to be a border district, surrounded on 3 sides with Pakistan occupied Kashmir (POK). The program is regularly monitored and supported by the Indian Army officers, who also encourage the youth to pursue the training with commitment.

Developing emergency services at a government hospital, Rajasthan

IIFL Foundation developed 'emergency services' at Maharana Bhupal Government Hospital at Udaipur in Rajasthan. The project entailed the development of three Operation Theaters, an Intensive Care Unit (ICU), an Out-Patient Department (OPD), cabins for senior doctors and resident doctors, and a waiting area for patients' family members. Post completion of development work in November 2022, the facility benefits individuals from marginalized sections and neighboring districts availing life-saving medical facilities.

Medical equipment installed

- ICU beds
- Anesthesia workstations
- Hydraulic Operation Theater table
- Multi-para patient monitors
- Operation Theater dome lights
- Medical gas pipeline system



60,000

Annual beneficiaries from marginalized communities



Bazaar Haat, Gulaabi Gaon, Nashik

To promote entrepreneurship among women, IIFL Foundation set up a Business Hub (Bazaar Haat) and Community Hall at Bhint Nagar at Nashik, Maharashtra. The project's long-term vision is to promote local businesses, generate livelihood for villagers and promote entrepreneurial skills among women. A skill development center is also set up to give vocational skills to women and youth, along with awareness sessions

on social and legal rights of women, including Prevention of Sexual Harassment (PoSH) Act, Domestic Violence Act, Dowry Act, Right to Education, and Government Welfare Schemes for Women, among others.

300
women beneficiaries



Science Laboratory, Government School, Rajasthan

500
beneficiaries each year

To promote better facilities to students, IIFL Foundation constructed a science laboratory, a computer lab and a sanitation facility at the Government Girls Senior Secondary School (Rural) at Khamnore, District Rajsamand at Rajasthan. The school offers free education to girls up to 12th grade. This is the only facility offering higher secondary education in the subject of Science. Each year, over 500 girls are expected to benefit from this facility, enabling them to pursue higher education and careers in Science.

Sustainable Development Goals – Quality Education, Gender Equality and Reduced Inequalities.

In addition to the primary objective of improving literacy rates, the initiative indirectly contributes to preserving indigenous languages, generates employment opportunities for local women, and fosters skill-building within marginalised communities.

An impact assessment study conducted by an Independent agency highlighted a positive shift in the community's attitude towards education and the experience at Sakhiyon ki Baadi centres have instilled in students the confidence to achieve higher education.

33,965
Student beneficiaries - Female

Sakhiyon Ki Baadi, Rajasthan

With a vision to improve female literacy in Rajasthan, IIFL Foundation's 'Sakhiyon Ki Baadi' initiative promotes foundational literacy and numeracy (FLN) skills for girls from the marginalized and vulnerable communities. With 1,148 learning centers in 13 districts of Rajasthan, the program engages with over 33,000 girls, native to indigenous tribal communities (Scheduled tribes). The program leads to skill development and provides livelihoods to over 1,148 women, who otherwise would not have gained access to such opportunities. The initiative helps to meet three UN's

World CSR Congress
Award 2022 Award for
'Outstanding Contribution
to the Cause of Education'
– Sakhiyon ki Baadi.





Developing Urban Forest with Govt. of Maharashtra - Mumbai

IIFL Foundation partnered with Maharashtra government's 'Mumbai Climate Action Plan' to create the mega city's first large urban forest. The Foundation created a 10,000-tree strong urban forest in the heart of the city (Andheri), under the first 'Green Yodha' project of Maharashtra Government to combat climate change.

The 'Green Yodha' project aimed at increasing plant cover in Mumbai and create a carbon neutral economy in the long term. The overall green cover in Mumbai has reduced by 40% over the last two decades, while during the same period temperature of the city has increased by 4-5 degrees. The project aims to plant herbs, shrubs, medicinal plants and trees to create urban forests across marked locations in Mumbai with higher than average temperature than other places.



Development of Botanical Garden (Medicinal) – The Institute of Science Mumbai

With IIFL Foundation's support, The Institute of Science (Mumbai) developed a botanical garden spread across 6,000 sq. ft., helping conserve species of medicinal plants and herbs for purpose of conservation, research and development of medical importance.

The Botanical Garden of The Institute of Science, Mumbai is spread over 0.8 hectare (approx. 2 acre) area and is meant for teaching and research needs. It has many important and rare plants which are economically and medicinally important. This garden is a source of knowledge for the post graduate students of this institute as well as UG, PG & PhD students from other colleges.

The National Botanical Research Institute (NBRI) has also recognised this garden by stating that it serves to conserve plant genetic resources.

The Institute of Science, Mumbai is the premier State Government Institute with post graduate teaching and research facilities. It celebrated its centenary year in 2020.

Location – The Institute of Science, Mumbai

Plantation – 1,000 Medicinal Trees

Total Area – 6,000 sq. ft.



Agri-Drone to promote tech-based farming – Rajasthan

IIFL Foundation launched Rajasthan's first agriculture drone. The custom-made Drone is built exclusively for Research in advancement of agriculture and thus donated to Maharana Pratap University of Agriculture & Technology (MPUAT), Udaipur, Rajasthan, handing to Dr. Narendra Singh Rathore, Vice-Chancellor, MPUAT.

Two of the prominent frugal innovations brought in the past one year include last-mile **Covid vaccination drone** in Palghar district of Maharashtra and launch of **Rajasthan's first 'agriculture drone'**.



Mumbai Police – Raincoats

IIFL Foundation is happy to have contributed **1,000 Raincoats** made exclusively from recycled material to Mumbai Police.



This is our humble effort to support the men in uniform who spend hours on the roads during heavy rains, helping the common man and managing law and order. These specially-designed raincoats are **produced by laborers who live on the street** and are able to earn their livelihood through skill development opportunities.

The raincoats were distributed by Dr. Dnyaneshwar Chavan - Additional Commissioner of Police.

Mini Libraries at Government Schools, Maharashtra

IIFL Foundation has established mini libraries in Government schools across select districts in Maharashtra. These mini libraries feature a carefully curated collection of books covering diverse subjects such as science, world history, encyclopedias, literature, and more. This initiative aims to foster a reading habit among students and provide them with access to high-quality reading materials.

Location – Mumbai, Pune and Satara

Total mini libraries – 500





Seva Kutir Learning Centers – Madhya Pradesh

The program aims to tackle the problem of poor learning outcomes and a lack of adequate and nutritious food affecting tribal children in Madhya Pradesh in the age group of 4 to 14 years. The Kutirs run 6 days a week throughout the year (with even longer engagement hours during times when government schools are off, like summer vacations or festive seasons). Children get 2 adequate and nutritious meals

daily (morning breakfast and evening dinner) Additionally, Children get 5-6 hours of high-quality education along with yoga, sports and co-curricular activities to improve their learning outcomes.

Special sessions are conducted on value education covering themes such as – Self Awareness, Responsibility, Ethics and Morals.

Age Group (Children)	Total Beneficiaries	No. of Centers	District	State
4 to 15 yrs.	1,008	10	Khandwa & Chhindwara	Madhya Pradesh



Annual Medical Camp – Pandharpur, Maharashtra

Pandharpur Pilgrimage at Solapur district during the Ashadi Ekadashi (July 2022) was one of the biggest pilgrimages in Maharashtra. Over 13+ Lakh pilgrims returned to Pandharpur on foot after a gap of 2 years due to restriction of Corona Pandemic,

Mega Medical Camp at Pandharpur was conducted with participation from 340 volunteers including Doctors & Para-medical staff offering selfless service at the camp. During the camp, 55,257 patients have availed the medical services including 1,573 patients who received in-patient/hospitalization. About 1,00,000+ patients & pilgrims were offered free food.



Phulwari – Maa Baadi Centers

Partnering with the Tribal Area Development (TAD) Dept. of Rajasthan, we have upgraded the 'Maa Baadi' learning centers by introducing Electricity through the installation of Solar panels, facilitating water supply for drinking and sanitation and using a digital Learning Tool (TV with preloaded learning videos), both powered by solar energy. A special emphasis is placed on improving the learning outcomes of students through the use of learning kits and regular training for teachers.

Maa Baadi program is initiated to promote literacy to children native to indigenous tribal communities (Scheduled Tribes) and it facilitates formal education up to 4th grade, after which students attend government schools to continue their academic journey. We have also upgraded the ambience through construction of play-area, setting up library, painted walls to create a welcoming and warm environment for learning. At present, we are engaged with the Maa Baadi Centers at Udaipur and Pali districts of Rajasthan with 900 Students.

900

beneficiaries each year

Donated 101 Sewing Machines – Chittorgarh, Rajasthan

With a view to promote skilled training to women so they can generate Livelihood, IIFL Foundation has donated 101 Sewing Machines to women at rural villages in Chittorgarh district of Rajasthan.

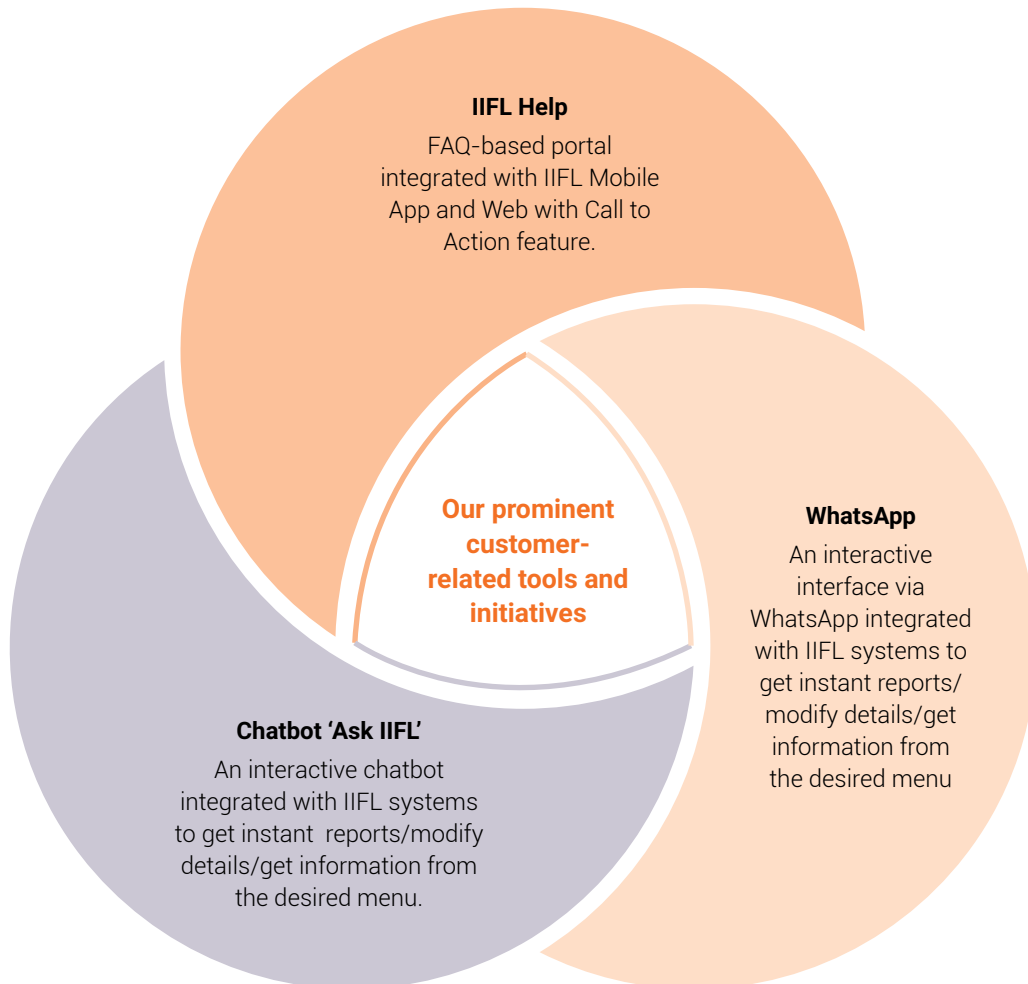
The women had previously undertaken an extensive training on tailoring, that spanned over 4 months. Over completion of their course, many of women found themselves stuck as they didn't own a Sewing Machine. IIFL Foundation gifted such candidates a Sewing Machine, so that they can sustain the skills that they acquired during the training and make an earning (livelihood) by working from home, right in their village.





DELIGHTING CUSTOMERS

Our wide suite of offerings help us create lasting value and durable bond with the customers. To provide a delightful experience to our existing and potential customers, below self-help tools are made available 24*7 on a real-time basis.



Awards received for customer service

Our Company has received several awards for its excellent customer service. Some of the recent awards won for customer services are:

- Best Digital Transformation Initiative – Stock Broking at BFSI LEADERSHIP AWARDS 2022
- “Best Omnichannel CX initiative” in Customer Experience & Digital Excellence Award 2022, at NBFC & FIN Tech Excellence Awards

Customer testimonials



"We are associated with IIFL Securities over the past five years, transacting in mutual funds, PMS and AIF. The relationship managers possess a sound understanding of the financial aspects related to wealth creation, are straight forward and transparent in their advice and suggestion, possess a clear understanding and approach to the subject of wealth creation. They are calm and collected in their approach with a rationale-driven thinking, very cordial and respectful in their interaction and are paying detailed attention to our needs. The interaction has been very rewarding and enriching in terms of wealth creation as well enhancing financial knowledge. IIFL has carved themselves a niche of trustworthy, dependable and reliable professionals who have the ability to cater to the demands of the customers keeping in mind the company and their own personal growth at the same time."

Nagaraja Srinivass



"I was looking for a no-frills securities firm and IIFL Securities proved to be just that. It provides a range of products that suit every need. As a busy professional, I don't get much time to research on equities. I was looking for someone who would understand my financial needs, goals, constraints and advise on the products that fit these. Very glad to have interacted with my relationship manager. I have observed him to be very responsive and actively invests time to develop the relationship. He has a good view of the product and services, understands my needs and devises strategy to meet them. He acts as a single point of contact for complaints and escalates issues as needed and follows through to ensure appropriate closure."

Praveen Sankaran



"Being an ex-NRI with reasonably good knowledge of the Indian stock market, having very clear goals that I wanted to achieve and above all being a bit paranoid, it was extremely difficult for RMs from the leading financial institutions across the world to convince me of investing with them. IIFL Securities' approach was very unique. They never ever till date asked me to invest with IIFL. At the very onset they very clearly told me that, they would like to help me achieve my goals whether or not I invested with IIFL. Every product they recommended to me was apparently after a lot of background analysis and study. They had answers to every query I threw at them. They never forced me to go with IIFL products rather gave me alternative options even outside of IIFL. They got me very deeply involved from a technical standpoint, in all the investment decisions being made. The level of involvement and support provided by the company is unheard of in the financial market. At anytime be it day or night any clarification or information that I requested was made available to me. They helped me set achievable short-term, mid-term and long-term goals for my investments based on my requirements. On a rating between 1 to 10 with 10 being the best I am forced to rate them 10 as I can't find even one instance where they have flawed during these five years. The people I believe and trust blindly when it comes to my investments and related advisories - IIFL Securities."

Joji Joseph



"I have been dealing with IIFL Securities since the last 10 years and have seen the maturing and the fantastic growth achieved by IIFL Securities' team. They have consistently evolved with the fast changing times and have achieved stellar heights. Brands are built especially in such sectors by the team which supports the customer service and the quick responses to various issues raised."

Pravin Hegde



"I am happy and satisfied with the advice and service offered by IIFL Securities."

Family accounts are managed in a good manner. Portfolio restructure and diversification are taken care of and I am well informed about the same on a regular basis. All the best!"

KP Nagesh



"I work as project manager in an IT firm and have been associated with IIFL Securities since 2018. The suggestions and recommendations from the IIFL team are useful and beneficial and ultimately are converted into profits. The team is accessible and very quick in their response and actions. All investments for me and my family are being done through IIFL Securities."

Subramaniam Mallela



"I have been engaged in high-volume trading of equity derivatives with IIFL Securities, for the last three years. I have found that the tools provided, as well as the technical support and relationship management have been excellent. The tech support team is proactive, quick and knowledgeable. And, the relationship managers really go above and beyond in ensuring that customers like me receive the highest level of personalized service available."

Harsh Toprani



Natural capital

Material issues involved

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

SDGs served



7,811.69

Giga Joules

Total energy consumption

1,951.02 KL

Water consumed

1,523.20 MT

CO₂ Eq Scope 2 Emissions

0.96422 Tons

E-Waste generated

88.42 GJ

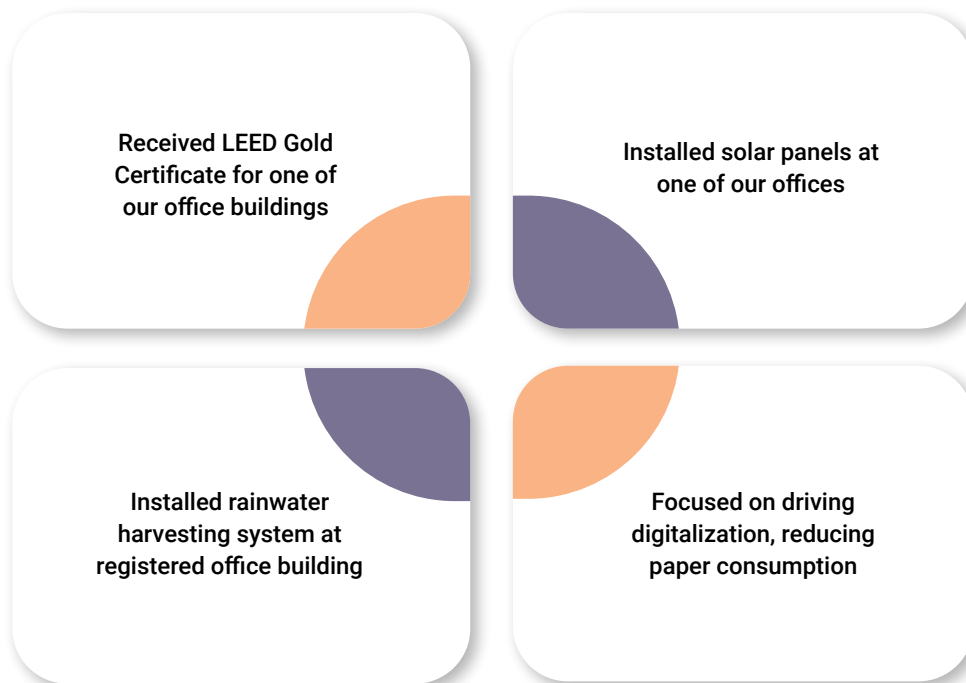
Energy consumed from renewable sources

7,723.27 GJ

Energy consumed from non-renewable sources



Climate change is a reality which is influencing life around us every minute. At IIFL Securities, we are committed to drive optimal use of natural resources at our offices and branches to do our bit in the fight against climate change. Our endeavor is to minimize the impact of our business operations on the natural ecosystem.



Waste management

Office waste such as e-waste, paper and plastic make up a majority of our waste output. Our e-waste comprises desktop sets, laptops, monitors, printers, scanners and tablets. We have put defined procedures in place to dispose e-waste through authorized e-waste vendors and recyclers.

Over the last few years, we have been taking conscious efforts to reduce the usage of paper across our operations, such as access-based printing and default printing on both sides of the paper. We also circulate advisories to our employees to adopt digital/online mediums and reduce paper consumption. We have installed paper shredder machines across our larger offices, and we also engage with vendors for safe disposal of waste paper.

There are no single-use plastics being used across any of our branches and offices across the country. We continue to explore feasibility of adopting such measures in other offices and branches.

Prudent governance practices

We are committed to continuously enhancing our corporate governance practices. We believe that our efficient, transparent and impeccable corporate governance is one of the key factors driving our Company's growth.



Governance framework

- 1 Our corporate governance framework is based on an effective Independent Board. Further, the Board had constituted designated committees with well-defined scope for improving board effectiveness and efficiency in areas where more focused, specialized and technical discussions are required. A majority of our Board Committees include Independent Directors, and are also normally chaired by an Independent Director. The core management team is responsible for effective implementation of the decisions of the Board/Board Committees across all functions.
- 2 We have various policies in place which form the base of our strong corporate governance. These policies are reviewed and updated periodically. There is a designated senior official/department responsible for the implementation of the policies. Also, our Company undertakes various awareness and training programs for all employees to ensure compliance with various policies. Details of the awareness and training programs form a part of our Business Responsibility and Sustainability Report.
- 3 Our Company has in place Grievance Redressal Policy/ mechanism for all stakeholders to raise their concerns/ grievances and for effective redressal thereon.
- 4 Our Company has a well-defined Enterprise Risk Management framework aligned with the Committee of Sponsoring Organizations of the Treadway Commission (COSO) 2017 ERM Framework and has adopted the practices of ISO 31000 Risk Management Standard, integrated with the organization's strategy and business objectives.
- 5 Further, our Company is committed to fair disclosure of information to its stakeholders and towards this, the Company has adopted a Code of practices and procedures for fair disclosure of UPSI.



Board responsibilities and diversity

We have a well-diversified Board comprising of Directors coming from various walks of life and having a broad range of experience in the areas of finance, accounting, technology, cyber security, governance, risk management, ESG, among others. This facilitates the Board in accruing the benefit arising out of a multi-faceted talent pool to leverage differences in thoughts, perspectives, knowledge, skills and experiences to ensure effective corporate governance and sustained commercial success of our Company. The Board has an optimum combination of Executive and Non-Executive Directors (including one Independent Woman Director). A majority of the Board comprises of Independent Directors.

The Board plays a crucial role in guiding the Company towards long-term success and responsible business practices.



Ms. Meghal Shah
Company Secretary

At IIFL Securities, it is our constant endeavor to imbibe best corporate governance practices both in letter and in spirit. In addition to compliance with the SEBI (Listing Obligations and Disclosure Requirements), Regulation, 2015, our Company has voluntarily taken initiatives to implement the NSE prime norms, a framework that prescribes higher standard of corporate governance for listed companies, to the extent feasible, to further strengthen our corporate governance practices. The additional corporate governance practices of our Company form part of the Directors' Report and the Corporate Governance Report.

Key responsibilities of the Board

- Monitoring the effectiveness of governance practices
- Overseeing the process of disclosure and communications
- Monitoring and managing potential conflicts of interest of management, members of the Board of Directors and shareholders
- Ensuring the integrity of accounting and financial reporting systems and that appropriate systems of control are in place for risk management, financial and operational control, and compliance with the law and relevant standards
- Maintaining high ethical standards and taking into account the interests of stakeholders
- Exercising objective independent judgement on corporate affairs

Ethical practices

Our Company believes in maintaining highest ethical standards in all its business activities and operating the "right way" by following governance standards that lead to accountability, transparency, fairness and responsibility, Our Company has various policies which address the needs of today and the future, equitably, and which guide us on ethical principles while dealing with various stakeholders and conducting the business.

Some of our key policies include:

- Code of Conduct
- Prevention of Insider Trading
- Anti-Bribery and Anti-Corruption
- Anti-Money Laundering
- Whistle Blower
- Conflict of Interest

Board of Directors



Mr. R. Venkataraman

Chairman & Managing Director (Promoter)

Mr. R. Venkataraman is the Chairman and Managing Director, as well as, Co-Promoter of the Company. He holds Post Graduate Diploma in Management from the Indian Institute of Management (IIM), Bangalore, and a Bachelor's degree in Electronics and Electrical Communications Engineering from IIT Kharagpur. He has contributed immensely to the establishment of various businesses and spearheading key initiatives of the IIFL Group over the past 24 years. He previously held senior managerial positions in ICICI Limited, including ICICI Securities Limited, their investment banking joint venture with JP Morgan of US, and Barclays – BZW. He has worked as an Assistant Vice President of GE Capital Services India Limited in its private equity division. He has a varied experience of more than 31 years in the financial services sector.



Mr. Narendra Jain

Whole Time Director

Mr. Narendra Jain is a Whole time Director on the Board of the Company. He holds a Bachelor's degree in Commerce from the University of Mumbai and is a qualified Chartered Accountant. He has over 28 years of experience in the financial services industry, specifically in areas such as operations, taxation, internet banking, and finance. In the past, he was associated with ICICI Brokerage Service Limited, where he worked in areas like operations, risk, compliance and design and development of systems and processes. He was also associated with Hindustan Petroleum Corporation Limited, where he was involved in indirect taxation and marketing analytics.



Mr. Anand Bathiya

Non-Executive Independent Director

Mr. Anand Bathiya is a Non-Executive Independent Director on the Board of the Company and a Chartered Accountant by profession. Holding Bachelors in Law and in Commerce, he is a qualified Company Secretary as well as a Registered Valuer along with holding diplomas in Securities Law and Information Systems. With two decades of experience in domains of business consulting, finance, growth, governance, transactions and tax, he has enabled multiple businesses build efficiencies and remain competitive. Mr. Bathiya is regularly engaged in advising businesses in negotiating, structuring, performing due diligence and executing domestic and international Mergers & Acquisitions (M&A), having advised more than 250 M&A transactions. He advises businesses in capital market initiatives like IPOs, QIPs, rights issues, open offers, international listings, etc. along with advising private equity funds, venture capital funds, family offices in formation, fund documentation, diligence and investment transaction execution.

Currently, he is a Partner with Bathiya & Associates LLP, having in the past worked with world leading professional services firms. He is also the Vice President of Bombay Chartered Accountants' Society for FY 2023-24.





Ms. Rekha Gopal Warriar
Non-Executive Independent Director

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



Mr. Shamik Das Sharma
Non-Executive Independent Director

Mr. Shamik Das Sharma is a Non-Executive Independent Director on the Board of the Company. He has done a Masters in Science (M.S.) with a specialization in Computer Science from the University of Maryland, College Park, USA, and a B. Tech in Computer Science and Engineering from Indian Institute of Technology (IIT), Kharagpur. He has an experience of more than 22 years as a Computer Scientist and more than 12 years of experience as Vice President and CXO roles at various private companies. He is one of India’s leading Product and Technology experts. He has over two decades of experience crafting technical products, taking them to market, building strong teams, and instituting a tech-oriented culture in organizations. As a founder, senior executive and investor, he has worked with small and large companies across diverse domains in the Bay Area and Bangalore. He is currently a General Manager and board member at Cure.fit, a leading health-tech startup, and previously was the CTO/CPO at Myntra.



Mr. Viswanathan Krishnan
Non-Executive Independent Director

Mr. V. Krishnan is a Non-Executive Independent Director on the Board of the Company and is a seasoned financial services professional with a diverse experience of 34 years in operations, technology, operational risk, information security, compliance, and internal control. He has worked in multiple areas of financial services like Custodial Services, Asset Management Companies, IT Services, Exchange and International Banks, holding senior positions in various international and domestic organizations like Barclays, Deutsche Bank, JP Morgan, L&T, MCX, etc. His diverse experience is backed by professional qualifications in Information Security, Internal Audit, Fraud, Anti Money Laundering, Business Continuity, and Law amongst others. Mr. Krishnan leads Kris Consulting, a unique boutique advisory and assurance firm, that focuses primarily on Governance, Risk & Compliance, Process Re-engineering, and the entire lifecycle of Human Capital needs of clients. He has been supporting marquee brands in the areas of Consulting and Training.



Participation in Committees

- Audit Committee ● Nomination and Remuneration Committee ● Stakeholders Relationship Committee ● Risk Management Committee ● Corporate Social Responsibility Committee
- Independent Directors Committee ● Finance Committee ● Cyber Security Committee
- Information Technology Committee ● ESG Committee

- Ⓒ Chairperson
- Ⓓ Member

Awards and accolades

IIFL Securities received the Great Indian BFSI Best Use of Mobile Technology Award



Best Investment Product Provider Award at the National Award for Leadership & Excellence in BFSI



Best Omni-channel CX Initiative Award at the NBFC & Fintech Excellence Awards



IIFL Securities received the Great Indian BFSI Product Innovation Award



Dream Company to Work for Award at the National Award for Leadership & Excellence in BFSI



IIFL Securities received the Great Indian BFSI Excellence in Distribution of Financial Products



IIFL Securities received The Great Indian BFSI Product Innovation Award – Gemrush / OneUp





Directors' Report

Dear Stakeholders,

The Directors are pleased to present the Twenty-Eighth Annual Report of IIFL Securities Limited ('the Company' or 'Our Company' or 'IIFL Securities') along with the audited financial statements for the Financial Year (FY) ended March 31, 2023.

1. Company Overview

IIFL Securities is one of the largest independent full-service broking house providing diversified financial services and product distribution and is also a SEBI registered Merchant Banker.

The Company's retail brokerage and financial product distribution businesses comprises equity, commodities and currency broking, depository participant services, distribution of mutual funds, bonds, portfolio management services (PMS), alternative investment funds (AIFs) and other investment products. These services and offerings do not just enable customers to access the Indian financial capital markets but also provide an integrated interface that allows them to track various portfolio parameters, including the performance of their investments.

The Company's mobile trading app 'IIFL Markets' is rated 4.4 on Android and iOS and had over 10.8 million downloads in FY 2022-23 (versus 9.4 million in FY 2021-22). Continuous upgrades and enhancements makes this app the top choice of most customers. The app is preferred by most investors given its superior features, quick transactions and best-in-class user experience.

The Company forms one of the major institutional broking franchises in India with robust research capabilities. During the year, the research team covers 262+ stocks across a wide range of sectors and market caps. As of March 31, 2023, the combined market cap of stocks under our coverage was about USD 2.4 trillion.

The Company also provides Investment Banking services to corporate and institutional clients and has evolved as a leading domestic investment banker in recent years, engaging in a number of significant Initial Public Offerings (IPOs) and Qualified Institutional Placements (QIPs).

IIFL Securities is well-placed as a prominent name in the industry backed by end-to-end technology platforms, experienced management and vast network of branches across the country. With complete investment planning and quality offerings, the Company continuously strives to deliver more value to its customers.

2. Financial summary and highlights

A summary of the Company's financial performance for FY ended March 31, 2023, is as under

₹ in Million

Particulars	Standalone		Consolidated	
	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22
Gross income	12,690.31	11,505.20	13,703.85	13,164.11
Profit/(loss) before Depreciation and Tax	4,265.36	4,230.79	4,077.09	4,654.14
Depreciation	(599.89)	(643.09)	(668.36)	(634.56)
Profit/(loss) before tax	3,665.47	3,587.70	3,408.73	4,019.58
Share of Profit/(loss) of associates and joint venture companies	-	-	-	1.45
Provision for Tax	(831.16)	(746.58)	(910.63)	(962.72)
Non-controlling interest	-	-	3.47	2.26
Profit/(loss) after Tax	2,834.31	2,841.12	2,501.57	3,060.57
Balance brought forward from previous year	6,953.08	5,023.54	8,816.45	6,667.30
Appropriation towards dividend paid	(914.56)	(911.58)	(914.56)	(911.58)
Other addition(s)	-	-	-	0.16
Surplus carried forward	8,872.83	6,953.08	10,403.46	8,816.45
Earning Per share on equity share of ₹ 2/- each				
Basic (in ₹)	9.31	9.37	8.22	10.09
Diluted (in ₹)	9.24	9.23	8.16	9.94

3. Review of the operations and business, and the state of Company affairs

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

Our Company's consolidated revenue was ₹ 13,704 million as against ₹ 13,164 million in FY 2021-22, an increase of 4 % YoY. The Company earned a net profit after tax (TCI) of ₹ 2,480 million versus ₹ 3,057 million in FY 2021-22, registering a YoY decline of 19%.

I. Broking and Distribution

During the year, the average daily market turnover (including F&O) for the broking business was ₹ 1,536 Billion (BSE + NSE), up 95% YoY, and the share of daily cash and total turnover stood at 2.97% (NSE) and 1.00% (NSE), respectively. Broking revenue stood at ₹ 6,435 million, up 12% on a YoY basis.

Our distribution segment, mainly insurance, AIF and PMS gained good traction during the year. Insurance premiums stood at ₹ 2,788 million, grew 48% on a YoY basis. AIF AUM increased from ₹24.0 billion in FY22 to ₹ 31.6 billion in FY23 increased by 32% and PMS AUM increased from ₹ 11.2 billion in FY22 to ₹ 15.6 billion in FY23 increased by 39% on YoY basis. These segments hold immense promise over the long term growth of the business.

II. Investment Banking

This business had a strong run in FY 2022-23, delivering revenues of ~₹ 1,287 million driven by consistent mandate wins, coupled with high quality and speedy execution, despite a highly volatile market environment. The investment banking division completed 29 transactions including 12 Initial Public Offers, 3 Qualified Institutional Placements, 6 debt transactions and a number of advisory transactions, buybacks, offer for sale and open offers during the year. The Company has also filed several offer documents for upcoming IPOs and is currently engaged in a number of private equity and other capital market transactions which are in various stages of execution.

As always, superior client focus, unbiased advice and consistent performance continue to result in high repeat business – a hallmark of our Company's strategy. Our Company has also expanded the Investment Banking team to capitalise on the market opportunities across Equity Capital Markets and advisory.

4. Dividend

Pursuant to Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI Listing Regulations**"), our Company has formulated the Dividend Distribution Policy which is available on the

website of the Company at https://www.indiainfoline.com/securities/reports/Dividend_Distribution_Policy.pdf

During FY 2022-23, the Board of Directors of our Company declared an interim dividend of ₹ 3 per equity share (i.e. 150% of the face value of ₹ 2 per share) in accordance with the Dividend Distribution Policy of the Company. This led to an outgo of ₹ 914.56 million. The same is considered as final.

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

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

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

Financial Year	Date of declaration of dividend	Last date for claiming unpaid dividend
2019-20	February 07, 2020	March 14, 2027
2020-21	March 10, 2021	April 15, 2028
2021-22	January 24, 2022	March 01, 2029
2022-23	January 23, 2023	February 22, 2030

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

Pursuant to the provisions of Rule 7 of IEPF Rules, Ms. Meghal Shah, Company Secretary of the Company is the Nodal Officer for the purposes of verification of claims and co-ordination with IEPF Authority under IEPF Rules. Details of the Nodal Officer are available on the website of the Company at www.iiflsecurities.com.

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

6. Transfer to reserves

During the year under review, the Company has transferred an amount of ₹ 14.52 million to the General Reserve.

7. Deposits

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



8. Commercial Paper

During the FY 2022-23, the Company has issued Commercial Papers ('CPs') for margin trading facility.

9. Particulars of loans, guarantees or investments

Particulars of loans extended and investments made are given in the notes 6 and 7 of the Standalone Financial Statements, respectively, for the year ended March 31, 2023 forming part of this Integrated Annual Report.

10. Material changes and commitments affecting the financial position of the Company

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

11. Share Capital

As on March 31, 2023, the issued, subscribed and paid-up equity share capital of the Company stood at ₹ 611,057,932 (comprising 305,528,966 equity shares of ₹ 2 each).

During the year under review, the total paid up equity share capital of the Company changed from ₹ 607,872,460/- to ₹ 611,057,932/- pursuant to allotment of 1,582,514 equity shares of ₹ 2/- each under IIFL Securities Limited Employee Stock Option Scheme(s)-2018 and 10,222 equity shares of ₹ 2 each under IIFL Securities Employees Stock Option 2019-Demerger Scheme to the eligible employees of the Company and the said equity shares rank pari passu with the existing equity shares from the date of allotment.

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

Employees Stock Option Scheme (ESOS)

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

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

As on March 31, 2023, 251,194 options have lapsed under the ISL Demerger Scheme and the same are not available for further grant. The aggregate number of stock options outstanding as on March 31, 2023, are 12,000 under the ISL Demerger Scheme. As on March 31, 2023, 2,348,115 options have lapsed under

the IIFL ESOS Scheme -2018 and the same have been added back to the pool and are available for further grant. The aggregate number of stock options outstanding as on March 31, 2023, stood at 9,187,309 under the IIFL ESOS Scheme- 2018.

There is no material change in the ISL Demerger Scheme and the IIFL ESOS Scheme – 2018 and the same is in compliance with the Securities and Exchange Board of India (Share based Employee Benefits and Sweat Equity) Regulations, 2021 ("SBEBSE Regulations"). The disclosures relating to ESOPs required to be made under the provisions of the Act and the rules made thereunder and SBEBSE Regulations are provided on the website of the Company at <https://www.indiafoline.com/securities/financials.php> and the same is available for inspection by the members at the registered office of the Company. If any member is interested in obtaining a copy thereof, such member may write to the Company Secretary at secretarial@iifl.com, whereupon a copy will be provided.

The relevant disclosures in terms of IND AS 102, relating to share-based payment, forms part of note 32 of the notes to the Standalone Financial Statements and note 41 of the notes to the Consolidated Financial Statements of the Company.

12. Scheme of Arrangement

As part of re-organisation of business, the Board of Directors had approved a Scheme of Arrangement for transfer of IIFL Securities' Online Retail Trading Business (as defined in the Scheme of Arrangement) to the 5paise Capital Limited ("Resulting Company"), so as to consolidate the said business under one single entity (i.e. the Resulting Company). IIFL Securities and 5paise Capital Limited are part of common promoter group. As part of the process, IIFL Securities being a Listed Company, as well as, an Intermediary has made applications seeking necessary approvals/ making intimations to the stock exchanges and other concerned regulator/authorities, as per the applicable laws, in relation to the proposed Scheme of Arrangement. The petition with Hon'ble NCLT will be filed thereafter.

13. Environment Social and Governance (ESG)

Globally, the boundaries of ESG performance are evolving and are joining the league of crucial indicators for assessing the holistic development of an organisation. The Company's philosophy is to become a value creating business that upholds highest standards of ethics and transparency. The Company aims to become a sustainable organisation by keeping ESG at its core and continuing to positively impact people, planet and profit.

Towards this, the Company has framed an ESG Policy to align its exercise of independent judgment in the identification of ESG risks and opportunities, incorporating ESG in its business activities, and engaging with all stakeholders (both external and internal). The ESG

Policy enshrines the ESG focus area for the Company which includes Environment, Corporate Governance, Customers, Employee, Corporate Social Responsibility and Information and Cyber Security Framework.

The Company's approach to ESG is indistinguishably linked to the core objective of the organisation which is to prioritise the stakeholders and empower them. The Company is taking positive strides in its ESG journey and is guided by its values of fairness, integrity and transparency.

The Company's' ESG framework provides the role and responsibilities of the Board of Directors/Board Committees, ESG Committee and the ESG team towards achieving the objectives of being a sustainable organisation. The Company has also framed various policies against the nine principles as per National Guidelines on Responsible Business Conduct (NGBRCs).

The ESG Policy is available at website of the Company at https://www.indiainfoline.com/securities/reports/ESG_Policy.pdf.

14. Corporate Social Responsibility (CSR)

In accordance with the provisions of Section 135 of the Act and rules made thereunder, our Company has adopted a CSR policy indicating the CSR activities that will be undertaken by the Company and its subsidiaries. During the year under review the CSR Policy has been amended and is available on the website of the Company at https://www.indiainfoline.com/securities/reports/IIFL_Securities_CSR_Policy.pdf.

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

IIFL Foundation through its CSR initiatives addresses 5 thematic areas – **Health, Education & Environment, Livelihood and Poverty Alleviation, or HELP**. The initiatives undertaken by IIFL Securities, through IIFL Foundation, during FY 2022-23 include upgrading treatment facilities at government hospitals, construction of science laboratories and sanitation facilities at government schools (rural), support to improve the academic outcome of students from government schools in 5 aspirational districts of Rajasthan, program to build foundational literacy and numeracy skills among females from marginalised and vulnerable communities of Rajasthan, supporting the education of children from slums in Mumbai (urban), a retail sales associate training programme for youths from Kashmir and

development of business hub for women to promote entrepreneurship.

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

5 Aspirational Districts of Rajasthan have been targeted with an aim to improve academic outcome of children enrolled at government schools. For this, IIFL Foundation has partnered with SAMPARK Foundation to execute 'Smart Shaala' program, a long term initiative that engages 4.03 lakh students and 11,820 teachers from 5,910 Government schools.

IIFL Foundation has also chosen the Aspirational District of Kupwara, from the union territory of Jammu and Kashmir, to initiate a retail sales associate program for youth to give them skills in the retail sector and subsequently assist them in pursuing a promising career in the field. Along with classroom training sessions, the students are taken on field visits, allowing for exploration and a wider understanding of the sector. The initiative is executed with the significant support of Indian Army officers.

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

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

The highlights of the initiatives undertaken by the Company and IIFL Foundation, form part of this Integrated Annual Report.

15. Nomination and Remuneration Policy

The Board of Directors, on recommendation of Nomination and Remuneration Committee, have framed the Nomination and Remuneration Policy which provides the criteria for determining qualifications and positive attributes for appointment of Directors, Key Managerial Personnel (KMP) and Senior Management Personnel and recommend their remuneration to the Board of Directors.

During the year, the Nomination and Remuneration Policy was amended to, *inter alia*, include applicability of malus and clawback of the remuneration paid in case of



any act of gross negligence and breach of integrity by the Director, KMP or Senior Management Personnel or any other employee.

The Nomination and Remuneration Policy is attached as **Annexure-2** and forms an integral part of this report and is also available on the website of the Company at https://www.indiainfoline.com/securities/reports/IIFL_Securities_Nomination_and_Remuneration_Policy.pdf.

16. Particulars of employees

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

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

17. Prevention of Sexual Harassment (POSH)

The Company is committed to promote a work environment that is conducive to the professional growth of its women employees and encourages equality of opportunity. IIFL Securities aims to adopt zero tolerance approach against any kind of sexual harassment or discrimination.

In compliance with provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules framed thereunder, the Company has formulated and implemented a policy on Prevention of Sexual Harassment at Workplace which aims to provide protection against sexual harassment to women, at the workplace, and prevent and redress complaints of sexual harassment and matters connected therewith and incidental thereto. The said Policy has been uploaded on the internal portal of the Company for information of all employees.

Furthermore, the Company has constituted an Internal Complaints Committee (ICC) to consider and resolve all sexual harassment complaints reported by women. The ICC has been constituted as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, and the Committee includes external members with relevant experience for handling complaints under the said Policy. The Policy includes the scope, complaint mechanism along with contact details of the Committee members for raising any grievance/complaint under the said Policy. The Company provides

mandatory online training on POSH for all employees, including new joinees.

The details of sexual harassment complaints that were filed, disposed off and pending during the financial year are provided in the Business Responsibility and Sustainability Report of this Integrated Annual Report.

18. Subsidiary, Associates and Joint Venture Companies

As on March 31, 2023, the Company has eleven subsidiaries (including step-down subsidiary) and has no associate and joint venture companies. The following are the subsidiaries located in India and overseas

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

*Wholly-owned subsidiary

During FY 2022-23, no company has become or ceased to be subsidiary, joint venture or associate company of the Company.

IIFL Facilities Services Limited is a material subsidiary of the Company as per Regulation 16 of SEBI Listing Regulations. The Board of Directors of the Company have approved a Policy for determining material subsidiaries which is in line with the SEBI Listing Regulations as amended from time to time. The Policy has been uploaded on the Company's website at <https://www.indiainfoline.com/securities/corporate-governance.php>.

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

19. Financial performance of the major subsidiary of the Company

The performance in brief of the major subsidiary companies is given hereunder

I. IIFL Facilities Services Limited ("IFSL")

IFSL is engaged into providing office and related infrastructure and facility services catering mainly to group companies and outsiders and allied services. During the FY 2022-23, the total income and total comprehensive income of IFSL stood at ₹ 727 million and ₹ 263 million as compared to ₹ 1,612 million and ₹ 462 million in FY 2021-22, respectively.

II. Livlong Insurance Brokers Limited (formally 'IIFL Insurance Brokers Limited') ("LIBL")

LIBL is registered with Insurance Regulatory Development Authority as Direct Broker for providing insurance broking services. During the FY 2022-23, the total income and total comprehensive income of LIBL stood at ₹ 714 million and ₹ 264 million as compared to ₹ 516 million and ₹ 227 million in FY 2021-22, respectively.

III. Livlong Protection and Wellness Solutions Limited (Formerly IIFL Corporate Services Limited) (Formerly IIFL Asset Reconstruction Limited) (LPWSL)

LPWSL is mainly into solving healthcare need of customers by leveraging technologies. During the FY 2022-23, the total income and total comprehensive loss of LPWSL stood at ₹ 267 million and ₹ 104 million as compared to ₹ 29 million and ₹ 51 million in FY 2021-22, respectively.

IV. IIFL Management Services Limited ("IMSL")

IMSL is mainly into providing property advisory, consultancy and is a Manager to Alternate Investment Fund. During the FY 2022-23, the total income and total comprehensive income/(loss) of IMSL stood at ₹ 465 million and (₹ 259) million as compared to ₹ 368 million and ₹ 33 million in FY 2021-22, respectively.

V. IIFL Capital Inc. ("IIFL Capital")

IIFL Capital is engaged in the business of Advisor and Financial Services. During the FY 2022-23, the total income and total comprehensive income of IIFL Capital stood at ₹ 136 million and ₹ 14 million as compared to ₹ 114 million and ₹ 7 million in FY 2021-22, respectively.

CONSOLIDATED FINANCIAL STATEMENTS

Our Company has, in accordance with Section 129(3) of the Act, prepared the annual consolidated financial statements, consolidating its financials with its subsidiary companies. The annual audited consolidated financial statements

have been prepared in accordance with the relevant Indian Accounting Standards issued by the Institute of Chartered Accountants of India.

Pursuant to Section 129(3) of the Act read with Rule 5 of the Companies (Accounts) Rules, 2014, a statement containing salient features of the financial statements of Subsidiaries Companies is given in Form AOC-1 as 'Annexure-A' of the Consolidated Financial Statements and forms an integral part of this Report.

20. Management Discussion and Analysis Report

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

21. Business Responsibility and Sustainability Report

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

22. Directors and Key Managerial Personnel (KMP)

Directors

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

The composition of the Board of Directors of the Company is in accordance with the provisions of Section 149 of the Act and Regulation 17 of the SEBI Listing Regulations, with an appropriate combination of Executive, Non-Executive and Independent Directors (including one independent woman director).

The complete list of Directors of the Company has been provided in the Report on Corporate Governance forming part of this Integrated Annual Report. During the year under review, there was no change in the composition of the Board of Directors of the Company.

All the Independent Directors of the Company have given declarations that they meet the criteria of independence as prescribed under Section 149(6) of the Act and Regulation 16(1) (b) of SEBI Listing Regulations. In terms of requirements of the SEBI Listing Regulations, the Board has identified core skills, expertise and competencies of the Directors in the context of the Company's businesses for effective functioning, which



are detailed in the Report on Corporate Governance forming part of this Integrated Annual Report.

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

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

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

Retirement by rotation

In accordance with the provisions of Section 152 of the Act and the Company's Articles of Association, Mr. Narendra Jain (DIN: 01984467), Director retires by rotation at the forthcoming Annual General Meeting (AGM) and being eligible, offers himself for re-appointment. The Board recommends the proposal of his reappointment for the consideration of the Members of the Company at the forthcoming AGM and same has been mentioned in the Notice convening the AGM. A brief profile of Mr. Narendra Jain has also been provided therein.

Key Managerial Personnel

During the year under review, there was no change in the Key Managerial Personnel of the Company. As on March 31, 2023, Mr. R. Venkataraman – Chairman and Managing Director, Mr. Narendra Jain -Whole-Time Director, Mr. Ronak Gandhi- Chief Financial Officer and Ms. Meghal Shah- Company Secretary & Compliance Officer are the Key Managerial Personnel in terms of the provisions of the Act and rules made thereunder and the SEBI Listing Regulations.

23. Meetings of Board/Committee

The Board/Committee meetings are pre-scheduled and the agenda and minutes of the Board/Committee meetings are circulated within timelines to ensure meaningful participation. Only in the case of special and urgent business, should the need arise, the Board's approval is taken by passing resolutions through circulation, as permitted by law, which are noted in the subsequent Board/Committee meeting. In certain special circumstances, the meetings of the Board are called at a shorter notice to deliberate on business items which require urgent attention of the Board. The Company has complied with secretarial standards issued by the Institute of Company Secretaries of India on Board meetings.

The Board met 5 times during the year under review and has accepted all recommendations made to it by various Committees.

The details of the number of meetings of the Board held during the FY 2022-23 and the attendance of Directors forms part of the Report on Corporate Governance.

24. Committee of the Board

The Board of Directors as on March 31, 2023 had the following committees:

- a) Audit Committee
- b) Nomination and Remuneration Committee
- c) Stakeholders' Relationship Committee
- d) Corporate Social Responsibility Committee
- e) Risk Management Committee
- f) Finance Committee
- g) Independent Directors' Committee
- h) ESG Committee

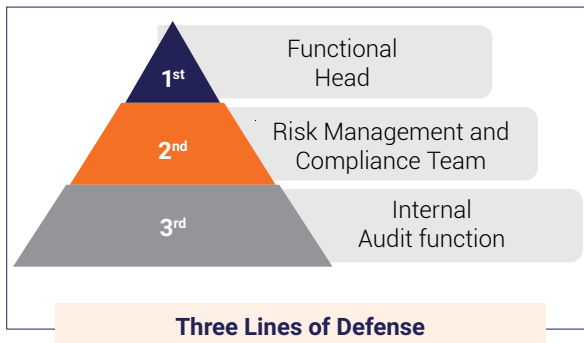
The Board had constituted an Buy-back Committee (Adhoc Committee) to do all such acts, deed, matters, and things in connection with Buyback of equity shares of the Company. During the year, the Buy back Committee was dissolved. Further, the Board of Directors at its meeting held on April 24, 2023, constituted Information Technology Committee and Cyber Security Committee. The details of the Committees of the Board along with their composition, number of meetings and attendance at the meetings are provided in the Report on Corporate Governance forming part of this Integrated Annual Report.

25. Risk management

Risk management is important to define, assess and track business threats and obstacles throughout the organisation. Towards this, our Company has adequate measures in place and has adopted a comprehensive Enterprise Risk Management ("ERM") Policy and Framework duly approved by Risk Management Committee and the Board of Directors which encompasses identification, analysis, mitigation and control of various type of risks for achieving its key business objectives. The ERM Framework outlines details of some contents that have been incorporated in the ERM Policy.

The Company's ERM framework is aligned to the Committee of Sponsoring Organisations of the Treadway Commission (COSO) 2017 ERM Framework. Our Company has adopted the practices of ISO 31000 Risk Management Standard, integrated with organisation's strategy and business objectives. The ERM framework comprises risk such as Strategic risk, Market risk, Credit risk, Financial risk, Fraud risk, Legal risk, Compliance risk, Operational risk, Reputational risk, People risk, Governance risk, Technology risk, Cyber Security risk, Third party risk, ESG risk, Regulatory risk, Liquidity risk and Competition risk.

Our Company has adopted the 'Three lines of defense' as part of the risk governance framework. The following diagram illustrates it.



A risk governance framework is characterised by

- Broad risk management competency throughout the organisation with a consensus that risk management is everyone's responsibility
- A well informed Board of Directors
- Appropriate risk committees and sub-committees with clearly defined roles and responsibilities
- ERM team with effective leadership qualitative and quantitative skills
- Effective risk management leaders undertaking coordinated efforts throughout the business
- A common risk language in support of a consistent enterprise-wide view of risk

The ERM framework contains explicit indicators that result in identification, establishment, monitoring and reporting of Key Risk Indicators (KRIs) and set their thresholds level for such KRIs/metrics.

Business continuity plan

The Company has a Business Continuity Management (BCM) Policy duly approved by the Risk Management Committee and the Board of Directors.

The purpose of the Policy is to formalise the business continuity program of the Company and to provide guidelines for developing, implementing, exercising, and maintaining specific business continuity plans for the respective departments of the Company. More importantly, the Policy seeks to provide for the recovery of critical and important processes in accordance with pre-established timeframes, restoration of the processing site and ultimately return to a permanent operating environment. BCM Policy is aligned with ISO 22301 Business Continuity Management System Standard and SEBI Guidelines.

Apart from Policy, our Company has a robust Business Continuity Framework in place, consisting of Crisis Management Team, Business Continuity Steering Committee, detailed Business Continuity Planning (BCP), BCM charter, Information Technology Disaster Recovery (IT DR) Plan, BCM Procedure, Business Impact Analysis (BIA), Risk Assessment and BCM Awareness. In terms of the Policy, the BIA are required to be updated regularly to determine the adequacy of recovery strategies. The strategies for recovery of critical and important processes are required to be updated in BCP. Periodic High Availability tests and IT DR Drill tests are also carried out.

Risk register

The Company maintains a risk register for all the departments/functions which act as a repository for all risks identified and evaluate the controls put in place to arrive at the residual risk and develop mitigation measures as may be required. The Company also maintains an incident register and tracker which, *inter alia*, includes the details of the incident occurred, its impact on the business, corrective action and preventive measures taken thereon, etc. Identified risks and incidents are presented before the Risk Management Committee.

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





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

Role of Risk Management Committee (RMC): RMC is responsible for formulation of the detailed ERM policy/framework and monitor and oversee its implementation. It ensures that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company. The appointment, removal, and terms of remuneration of the Risk Officer is subject to review by RMC. The Board is informed of the discussions of RMC, its recommendations and actions to be taken. The details of composition and meetings of RMC are covered under the Corporate Governance Report forming part of this report.

Role of Risk Officer (RO): RO is responsible for overseeing the risk management activities. RO periodically reviews the ERM policy/framework, monitors and oversees its implementation, process for systematic identification, assesses all the risks and updates RMC on the risks identified and the assessment and mitigation controls relating thereto. RO conducts internal meetings with the Risk Owners/Functional Heads on ERM initiative and updates the management on the progress/status of the same on a quarterly basis.

Role of Risk Management Department: The Company has in place a Risk Management Department for development and maintenance of overall risk management infrastructure. It facilitates implementation of the ERM policy and collate and review risk assessment prepared by the RO/Functional heads. It also maintains and updates the risk register and creates awareness on the risk management process/ practices for the identified stakeholders periodically. Further, it reports risk and risk management measures to RMC. The Risk Management Department is responsible for ensuring compliance with regulations and continuously improving the risk management process.

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

26. Annual evaluation of the Board

Pursuant to the requirement of the Act and the SEBI Listing Regulations and SEBI circular dated January 5, 2017 which provides further clarity on the process of board evaluation ("SEBI Guidance Note"), the Company has a Performance Evaluation Policy duly approved by the Nomination and Remuneration Committee specifying

the criteria and process for effective evaluation of Board, its Committees and individual Directors.

In accordance with the aforesaid Policy, the performance evaluation was carried out on the basis of structured questionnaire comprising of evaluation criteria, through peer evaluation, excluding the Director being evaluated. The Independent Directors Committee of the Company met on February 28, 2023, *inter alia*, to review the performance of Non- Independent Directors, the Board of Directors as a whole and the Chairman of the Company. The performance evaluation of the Committees and the Independent Directors was carried out by the entire Board excluding the director being evaluated. Based on such evaluation, the Board is of the view that all Independent Directors are having requisite knowledge, expertise and experience in their respective areas and good understanding of the Company's business and the industry in which it operates. They devote quality time to understand key issues relating to business of the Company and their valuable contribution has certainly improved the governance standards within the Company.

The criteria for evaluation of performance of Independent Directors, *inter alia*, includes the following

- a. Relevant knowledge, expertise and experience
- b. Maintaining Independence as specified under section 149(6) of the Companies Act, 2013 and regulation 16(l)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and no conflict of interest
- c. Level of participation and contribution to the performance of Board/ Committee(s) meetings
- d. Adherence to ethical standards and code of conduct for Independent Directors
- e. Exercising objective independent judgment in the best interest of the Company
- f. Raising valid concerns to the Board and constructively contributing to the resolution of issues at the meeting
- g. Ability to contribute and monitor corporate governance practices

The Directors have expressed their satisfaction of the evaluation process.

27. Internal financial controls

Our Company has maintained adequate internal financial controls over financial reporting, which are constantly assessed and strengthened with new/ revised standard operating procedures. The internal financial controls procedure adopted by the Company are adequate for safeguarding its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and the timely preparation of reliable

financial information. Such internal financial controls over financial reporting were operating effectively during the year.

Further, the Statutory Auditors have confirmed that the internal financial controls systems over financial reporting are adequate and the same is annexed with Independent Auditor's Report.

28. Quality initiatives

Our Company continues to sustain its commitment to the highest levels of quality, superior service management, robust information security practices and mature business continuity management. Our Company has successfully completed ISO 27001:2013 (ISMS) recertification audit in January 2023.

The Company has Complied with respect to various applicable laws and regulations in terms of technology, business continuity management and information and cyber security.

The technology used in the Company comprises industry standard business applications and robust IT infrastructure. These capabilities are used to manage business operations, are scalable, improve overall productivity & efficiency, and provide seamless and world class experience to the customers.

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

Our Company has initiated Secure Code Review of Critical Broking Applications. It has further enhanced Vulnerability Management program with introduction of Black Box, Grey Box and White box testing exercise. Additionally, our Company has implemented Endpoint Access Management tool for security enhancement.

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

29. Contracts and arrangements with Related Parties

Our Company have put in place a policy for Related Party Transactions (RPT Policy), which has been approved by the Board of Directors and amended from time to time. The Policy provides for identification of RPTs, necessary approvals by the Audit Committee/Board/Shareholders, reporting and disclosure requirements in compliance with the Act and provisions of the SEBI Listing Regulations. The said Policy may be accessed on the website of the Company at <https://www.indiainfoline.com/securities/reports/Related1205211.pdf>.

All contracts executed by the Company during the financial year, with related parties, were on arm's length basis and in the ordinary course of business. All

such Related Party Transactions were entered into in accordance with the RPT Policy of the Company.

During FY 2022-23, the Company has entered into material contract/arrangement/transaction with related parties within the maximum limit approved by the Members of the Company at its meeting held on July 12, 2022. As there is no outstanding balance as at March 31, 2023, the disclosure in Form AOC-2 as prescribed under the Act has not been made. You may refer to note no. 35 and note no. 42 to the Standalone Financial Statements and Consolidated Financial Statements respectively, for the related party disclosures.

The Company has also engaged an independent Chartered Accountant firm for reviewing and confirming that the related party transactions entered into by the Company are in compliance with the provisions of the Companies Act, 2013 and Rules made thereunder and the SEBI Listing Regulations and a certificate to that effect is placed before the Audit Committee every quarter.

30. Statutory Auditors and their Report

Pursuant to the provisions of Section 139 of the Act, read with the Companies (Audit and Auditors) Rules, 2014, M/s V Sankar Aiyar & Co., Chartered Accountants, Mumbai (Firm Registration Number: 109208W), were appointed as the Statutory Auditors of the Company for a second term of five years, from the conclusion of the 27th AGM till the 32nd AGM, at such remuneration mutually agreed and approved by the Board.

During the year, the statutory auditors have confirmed that they satisfy the independence criteria required under the Companies Act, 2013 and the Code of Ethics issued by the Institute of Chartered Accountants of India.

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

31. Secretarial Audit and their Report

Pursuant to the provisions of Section 204 of the Act read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s Nilesh Shah and Associates, Company Secretaries in Practice for conducting the Secretarial Audit for FY 2022-23. The Secretarial Audit Report of the Company is annexed as **Annexure-4**. The Secretarial Auditor has not expressed any qualification, reservation, adverse remark in their Secretarial Audit Report for the year under review. The Secretarial Auditor has mentioned about the following events in their Report

- 1) In an investigation in the matter of trading activities in the scrip of ICICI Lombard General Insurance Co. Ltd. during the period April 01, 2019 to September 30, 2019, it was held by the Adjudicating Officer that the Company has violated provisions of



Clauses A(3) to A(4) of Code of Conduct as specified under Schedule II read with Regulation 9(f) of the Securities and Exchange Board of India (Stock Brokers) Regulations, 1992 and levied penalty of ₹ 2,500,000/- on the Company;

- 2) In the matter of various inspections conducted during 2011-2014 and 2015-2017, pursuant to SEBI circular no. SMD/SED/CIR/93/23321 dated November 18, 1993, the SEBI has passed two separate adjudication order levying penalty of ₹ 10,000,000/- each for failure to segregate its own funds from client funds, misusing credit balance of client funds for debit balance client funds; and not appropriately designating client bank accounts. The Company preferred an appeal before the Securities Appellate Tribunal (SAT) and the same is pending with SAT.
- 3) During the inspection of Merchant Banking activities, the Company has received an administrative warning in the matter of one of the IPO, for violating the provisions of Regulation 24(3) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 read with the Securities and Exchange Board of India (Merchant Bankers) Regulation, 1992 for not conducting site visit;
- 4) During the inspection of Merchant Banking activities, the Company has received an administrative warning for not maintaining time stamp and audit trail for Structured Digital Database (SDD) as required under Regulation 3(5) of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as applicable to an intermediary.

Management response

- 1) IIFL Securities had executed trades in ICICI Lombard General Insurance Co. Ltd. in the block window on behalf of reputed institutional investors. SEBI initiated adjudication proceedings contending that the sale of the residual quantity influenced the block window price. The Company had put forward its case that the trade was genuine with all buyers and the seller with the instructions of the clients, no proprietary trading was done in the scrip. Therefore, there can be no unfair trade practice when there is no unfairness either to the buyer or the seller. The Company had complied with the order and paid the amount, considering the cost and time involved in the litigation.
- 2) The matter pertains to two separate inspections carried out by SEBI for different periods viz. 2011-2014 and 2015-2017 to verify the compliance relating to the monitoring of clients' funds. Although the inspection was for the past period, SEBI applied the new methodology prescribed vide SEBI Circular on enhanced supervision dated September 26, 2016

regarding monitoring of clients' funds calculation retrospectively. Accordingly, the Company responded that the allegations are improper and not in line with the industry wide practice followed since 1993 to June 30, 2017 by all the brokers. In this regard SEBI passed two separate Adjudication Orders dated May 20, 2022 and May 30, 2022 levying a penalty of ₹ 10,000,000/- each on the Company. Further, aggrieved by the said orders, the Company preferred to appeal before the Securities Appellate Tribunal (SAT) and the same is pending with SAT.

- 3) The Company generally do conduct physical site visits as part of its due diligence process. However, in given transaction, physical site visits were not undertaken due to the onset of the COVID 19 pandemic. As a part of the due diligence process the Company had conducted virtual meetings/ interactions with the client company to develop an understanding of the business, industry and the regulatory environment. These interactions included online due diligence meetings, online drafting sessions and conference calls to discuss and draft disclosures in the DRHP and same was informed to SEBI.
- 4) In accordance with SEBI (PIT) Regulations, 2015, SDD was implemented by the Company. Further, a detailed Working Group List is being made at the start of each transaction capturing the deal team details involved in the specific transaction. However, as directed by SEBI, the Company had initiated the process of capturing prescribed information of specific deal team members in SDD along with maintaining the same in the Working Group List.

Further, pursuant to Regulation 24A of the SEBI Listing Regulations, the Secretarial Audit Report of material unlisted subsidiary of the Company i.e. IIFL Facilities Services Limited for FY 2022-23 is annexed as **Annexure-5**.

32. Maintenance of cost records

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

33. Reporting of frauds by Auditors

During FY 2022-23, the Statutory Auditors of the Company have not reported any instances of fraud committed in the Company, by its Officers or Employees, to the Audit Committee under Section 143(12) of the Act read with Rule 13 of the Companies (Audit and Auditors) Rules, 2014.

34. Annual return

Pursuant to Section 134(3)(a) and Section 92(3) of the Act read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014 as amended from time to time, the Annual Return of the Company in Form MGT-

7 for FY 2022-23 has been placed on the Company's website at <https://www.indiaonline.com/securities/financials.php>

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

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

36. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

a) Energy conservation

As our Company is engaged in providing financial services, the information relating to conservation of energy, as required under Section 134 (3) (m) of the Act read with Rule 8 of the Companies (Accounts) Rules 2014, is not required to be given. However, initiatives taken by our Company towards energy management are provided in the Business Responsibility and Sustainability Report forming part of this Integrated Annual Report.

b) Technology absorption

The management remains updated with the latest technological advancements in the industry and embraces cutting-edge technology across the organisation's business processes, operational infrastructure and functional areas. Our Company periodically introduces enhanced features to provide rich and seamless trading experience to its customers. Further, Our Company leverage technology in all aspects of the customer lifecycle i.e. right from onboarding to providing customer service through various means like chatbots for faster resolution of their queries/concerns.

c) Foreign exchange earnings and outgo

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

(₹ In Million)		
Particulars	FY 2022-23	FY 2021-22
Earnings in foreign currency	275.12	355.25
Expenses in foreign currency	247.53	115.50

37. Whistle Blower Policy/Vigil Mechanism

Pursuant to Section 177(9) of the Act read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 22 of the SEBI Listing Regulations, the Company has in place a Whistle Blower Policy and has established the necessary vigil mechanism for Directors, Employees and Stakeholders to report genuine concerns or grievances about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. Vigil mechanism provides adequate safeguards against victimisation of persons who use such mechanism and also make provision for direct access to the Chairperson of the Audit Committee in appropriate and exceptional cases. For further details, please refer Report on Corporate Governance forming part of this Integrated Annual Report. The Company has disclosed the Policy on the website of the Company at https://www.indiaonline.com/securities/reports/IIFL_Securities_Whistle_Blower_Policy.pdf.

38. Corporate Governance

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

39. Directors' Responsibility Statement

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

- in the preparation of the Annual Accounts for the year ended March 31, 2023, the applicable accounting standards had been followed along with proper explanation relating to material departures
- the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as at March 31, 2023 and of the profit of the Company for the year ended on that date
- the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities



- d) the Directors ensured the annual accounts are prepared on a going concern basis
- e) the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively
- f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively

40. Other disclosures

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

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

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

41. Appreciation

The Company wish to place on record deep appreciation, for the contribution made by the employees at all levels for their hard work, commitment and dedication towards the Company.

The Company is grateful to all its stakeholders including customers, bankers, shareholders, business partners, regulators and communities for staying right beside us in our journey of constant evolution.

For and on behalf of the Board

R. Venkataraman

Chairman and Managing Director

DIN:00011919

Date: April 24, 2023

Place: Mumbai

Annexure-1 to the Directors' Report

The Annual Report on Corporate Social Responsibility (CSR) Activities of IIFL Securities Limited for the Financial Year ended March 31, 2023

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

1. Brief outline on CSR Policy of the Company:

IIFL Securities Limited ("the Company" or "IIFL Securities") ensures that its activities extend beyond business and include initiatives and endeavors for the benefit and development of the community and society. The Company strongly believes that Corporate Social Responsibility ("CSR") initiatives help to promote inclusive growth and equitable development.

The CSR Policy and activities of the Company are steered by the same values that guide the business of the Company. It can be summarised in one acronym – FIT, which stands for:

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

By applying these values to the CSR activities, IIFL Securities undertakes initiatives that create sustainable growth and empower underprivileged sections of the society.

The focus areas prioritised by IIFL Securities in its CSR strategy are guided by the philosophy of HELP (Health, Education & Environment, Livelihood and Poverty Alleviation). The CSR activities of IIFL Securities are executed by India Infoline Foundation (generally referred as "IIFL Foundation"), the Implementing Agency. In line with its philosophy the Company had undertaken the following activities during FY 2022-23:

- Academic training for teachers and students at Government Schools in 5 aspirational districts of Rajasthan – Dholpur, Baran, Karauli, Jaisalmer and Sirohi, creating an impact in lives of 4.03 lac students and 11,820 teachers, by reaching out to 5,910 schools;
- Training in retail sales for youth in Kupwara, an aspirational district in Kashmir with support of Indian Army and Research and Extension Association for Conservation Horticulture and Agro-forestry (REACHA);
- Building foundational literacy among females from marginalised communities of Rajasthan, through flagship programme 'Sakhion ki Baadi', which has an overall reach across 12 districts with 1,148 learning centres;
- Development of 'Emergency Services' at Maharana Bhupal Government Hospital, Udaipur, Rajasthan, through setting up 3 Operation Theatres, an ICU & OPD, Medical equipment at Orthopaedic ward;
- Grant to a school operated by a trust for Education of children from financially weaker group;
- Development of market place for women to promote livelihood and entrepreneurial skills, building direct engagement with over 300 women,
- Construction and setting up of a Science Laboratory and sanitation facility at Government Girls Senior Secondary School, Khamnore, District - Rajsamand, Rajasthan, to promote over 500 girls to pursue practical education in Science faculty.

2. COMPOSITION OF THE CSR COMMITTEE::

Sr. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Anand Bathiya	Chairman	2	1
2	Mr. V. Krishnan	Member	2	2
3	Mr. Narendra Jain	Member	2	2
4	Ms. Rekha Warriar*	Member	2	1

*Ms. Rekha Gopal Warriar was appointed as member of the CSR Committee w.e.f. April 26, 2022. During her tenure one meeting was held.



3. Provide the web-link(s) where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:

Web link - <https://www.indiaonline.com/securities/corporate-governance.php>

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable:

Not Applicable

Sr. No.	Particulars	Amount (in ₹)
a.	Average net profit of the company as per sub-section (5) of section 135	2,129,794,665/-
b.	Two percent of average net profit of the company as per sub-section (5) of section 135	42,595,893/-
c.	Surplus arising out of the CSR Projects or programmes or activities of the previous financial years	NIL
d.	Amount required to be set-off for the financial year, if any	NIL
e.	Total CSR obligation for the financial year [(b)+(c)-(d)]	42,595,893/-

6. a. Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): 42,595,893/-

b. Amount spent in Administrative overheads: NIL

c. Amount spent on Impact Assessment, if applicable: Not Applicable

d. Total amount spent for the Financial Year [(a)+(b)+(c)]: 42,595,893/-

e. CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
42,595,893/-	NIL	-	-	NIL	-

f. Excess amount for set-off, if any: Nil

Sr. No.	Particulars	Amount (in ₹)
a.	Two percent of average net profit of the company as per sub-section (5) of section 135	42,595,893/-
b.	Total amount spent for the Financial Year	42,595,893/-
c.	Excess amount spent for the Financial Year [(ii)-(i)]	NIL
d.	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	NIL
e.	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	NIL

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Amount Spent in the Financial Year (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of Transfer		
1	FY 2021-22	9,325,575/-	NIL	9,325,575/-	NIL	-	NIL	-
2	FY 2020-21	-	-	-	-	-	-	-
3	FY 2019-20	-	-	-	-	-	-	-

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: Yes

If Yes, enter the number of Capital assets created/ acquired: 7

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	CSR Registration Number, if applicable	Details of entity/ Authority/ beneficiary of the registered owner	
						Name	Registered address
1	Dual trigger rotary drill to the Orthopedic Department	313002	30/05/2022	410,550.00	N/A	Maharana Bhupal Government Hospital	Maharana Bhupal Government Hospital, Udaipur, Rajasthan
2	Sagittal Saw to the Orthopedic Department	313002	30/05/2022	418,880.00	N/A	Maharana Bhupal Government Hospital	Maharana Bhupal Government Hospital, Udaipur, Rajasthan
3	1/4" Stryker Adj. Keyed Chuck (Qty.2) to the Orthopedic Department	313002	30/05/2022	56,350.56	N/A	Maharana Bhupal Government Hospital	Maharana Bhupal Government Hospital, Udaipur, Rajasthan
4	2 Hudson Modified Trinkle Attachment to the Orthopedic Department	313002	30/05/2022	35,933.33	N/A	Maharana Bhupal Government Hospital	Maharana Bhupal Government Hospital, Udaipur, Rajasthan
5	2 Reaming Attachment Large to the Orthopedic Department	313002	30/05/2022	56,349.44	N/A	Maharana Bhupal Government Hospital	Maharana Bhupal Government Hospital, Udaipur, Rajasthan
6	2 Universal Battery Charger to the Orthopedic Department	313002	30/05/2022	419,922.67	N/A	Maharana Bhupal Government Hospital	Maharana Bhupal Government Hospital, Udaipur, Rajasthan
7	10 Blades to the Orthopedic Department	313002	30/05/2022	19,250.00	N/A	Maharana Bhupal Government Hospital	Maharana Bhupal Government Hospital, Udaipur, Rajasthan

Note: Capital Assets have been created or acquired in FY 2022-23 from the amount spent from the Unspent Corporate Social Responsibility Account for the FY 2021-22.

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub-section (5) of section 135:

During the financial year 2022-23, your Company deployed 2% of its average net profits (computed as per the relevant provisions of the Companies Act, 2013) of the preceding years on CSR projects amounting to ₹ 42,595,893/-, fully utilising the required amount on various social development activities, thereby fulfilling its commitment.

For IIFL Securities Limited

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

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

Date: April 24, 2023
Place: Mumbai



Annexure-2 to the Directors' Report

NOMINATION AND REMUNERATION POLICY

Preamble:

This Nomination and Remuneration Policy (the "Policy") has been formulated by IIFL Securities Limited ("Company") in compliance with Section 178 of the Companies Act, 2013, read with applicable rules made thereunder and in compliance with Regulation 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") as amended from time to time.

Purpose:

The purpose of this Policy is to serve as a guiding charter to appoint qualified persons as Directors on the Board of Directors of the Company ("Directors"), Key Managerial Personnel (the "KMP"), and persons who may be appointed in Senior Management Positions ("SMP"), to recommend the remuneration to be paid to them and to evaluate their performance.

Scope:

The policy shall be applicable to the following in the Company:

- a) Directors
- b) KMPs
- c) SMPs
- d) Other employees

Definitions:

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

"Board" means Board of Directors of the Company.

"Company" means "IIFL Securities Limited".

"Key Managerial Personnel (KMP)" means Key Managerial Personnel as defined under subsection (51) of Section 2 of the Companies Act, 2013 as under:

- Managing Director, or Chief Executive Officer or Manager
- Whole time Director
- Chief Financial Officer
- Company Secretary
- Such other officer, not more than one level below the Directors who is in whole time employment designated as Key Managerial Personnel by the Board
- And such other officer as may be prescribed

"Other employees" mean all employees other than the Directors, KMPs and the Senior Management Personnel.

"Policy" means "Nomination and Remuneration Policy.

"Remuneration" means any money, or its equivalent given or passed to any person for services rendered by him/her and includes perquisites as defined under the Income Tax Act, 1961.

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

"Senior Management Personnel (SMP)" shall mean officers/ personnel of the Company who are members of its core management team excluding the Board of Directors and normally this shall comprise all members of management one level below the "Chief Executive Officer/Managing Director/Whole Time Director/Manager (including Chief Executive Officer/Manager, in case they are not part of the Board) and shall specifically include the functional heads, by whatever name called and Company Secretary and Chief Financial Officer.

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

Nomination and Remuneration Committee (NRC)

The Board shall constitute a Nomination and Remuneration Committee consisting of a minimum of 3 Non Executive Directors, most of them being Independent. The Chairperson of the Committee shall be an Independent Director. The Chairperson of the Company shall not be a Chairman of the Committee. The term of the Committee shall be continued unless terminated by the Board of Directors.

Role of the NRC:

1. Formulate criteria and manner for effective evaluation of the performance of the Board, its committees, Individual Directors and review its implementation and compliance.
2. Formulate the criteria for determining qualifications, positive attributes, and independence of a director and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel, and other employees. While formulating this policy ensure that –
 - (i) Level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully.

- (ii) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
 - (iii) Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.
3. Identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, recommend to the Board their appointment and removal.
 4. Determine whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.
 5. Devise a policy on diversity of the Board of Directors.
 6. Recommend to the Board all remuneration, in whatever form, payable to Senior Management.
 7. Administration and superintendence of the ESOP Schemes.

Appointment and removal of Director, KMP, and Senior Management:

1. Appointment Criteria and Qualifications:

- a) A person being appointed as Director, KMP, or in Senior Management should possess the adequate qualification, expertise, and experience for the position he/she is considered for appointment.
- b) Independent Director:
 - i. Qualifications of Independent Director:
An Independent Director shall possess appropriate skills, experience, and knowledge in terms of the Board Diversity Policy of the Company.
 - ii. Positive attributes of Independent Directors:
An Independent Director shall be a person of integrity, who possesses relevant expertise and experience and who shall uphold ethical standards of integrity and probity; act objectively and constructively; exercise his/her responsibilities in a bona fide manner in the interest of the Company; devote sufficient time and attention to his/her professional obligations for informed and balanced decision making; and assist the Company in implementing best corporate governance practices.

2. Removal:

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules, and

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

3. Retirement:

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

Provisions relating to remuneration of Directors, KMP, Senior Management Personnel and other employees:

A. Directors:

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

- i. At the time of appointment or re appointment, the Executive Directors shall be paid such remuneration as may be mutually agreed between the Company (which includes NRC and the Board of Directors) within the overall limits prescribed under the Companies Act, 2013.
- ii. The remuneration shall be subject to the approval of the Members of the Company in General Meeting as per the requirement of the Companies Act, 2013.
- iii. The remuneration of the Manager/ CEO/ Managing Director/ Whole Time Director is broadly divided into fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company. In determining the remuneration (including the fixed increment and performance bonus), the Committee shall consider the following:

- The relationship of remuneration and performance benchmarks
- Balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals
- Responsibility required to be shouldered, the industry benchmarks and the current trends
- The Company's performance vis à vis the annual budget achievement and individual performance

2. Non-Executive Director:

- i. The Non-Executive Independent Director may receive fees for attending meetings of the Board or Committee thereof. Provided that the amount of such fees shall not exceed Rupees One Lakh per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.



- ii. A Non-Executive Director may be paid commission on an annual basis, of such sum as may be approved by the Board on the recommendation of NRC.
- iii. In determining the quantum of commission payable to the Directors, the Committee shall make its recommendation after taking into consideration the overall performance of the Company and the onerous responsibilities required to be shouldered by the Director.
- iv. The total commission payable to the Directors shall not exceed prescribed limits as specified under Companies Act, 2013.
- v. The commission shall be payable on pro rata basis to those Directors who occupy office for part of the year.

B. KMP and Senior Managerial Personnel:

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

- i. Maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company.
- ii. Compensation should be reasonable and sufficient to attract retain and motivate KMP and Senior Management Personnel.
- iii. Remuneration payable should comprise of a fixed component and a performance linked variable based on the extent of achievement of individual performance vis a vis overall performance of the Company.
- iv. Remuneration shall be also considered in form of long term incentive plans for key employees, based on their contribution, position and length of service, in the nature of ESOPS/ESPS.

C. Remuneration of other employees of the Company:

Employees shall be assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organisation. Individual remuneration shall be determined within the appropriate grade and shall be based on various factors such as job profile, skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs.

D. Research Analysts

The compensation of all individuals employed as Research Analyst shall be reviewed, documented and approved at least annually by NRC. While approving the compensation of the Research Analysts, NRC shall not consider:

- i. Any specific merchant banking or investment banking or brokerage services transaction which might have happened because of the services of the Research Analyst; and

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

Malus & Clawback

Malus & Clawback of the remuneration paid shall be applicable in case of any act of gross negligence and breach of integrity by the Director, KMP or Senior Management Personnel or any other employee. Such cases pertaining to Director, KMP or Senior Management Personnel or employee upto grade EVP shall be determined by NRC. Cases pertaining to other employees shall be reviewed and determined by the Head – Human Resource. Errors of judgment shall not be construed as breaches as may be determined by NRC.

Deviations

Deviations on elements of this Policy in extraordinary circumstances, when deemed necessary in the interest of the Company, may be done based on specific reasons at the sole discretion of NRC.

Disclosure of the Policy

This Policy shall be placed on the website of the Company and the salient features of the Policy and changes therein, if any, along with the web address of the Policy shall be disclosed in the Board's Report.

Review/Revision

The Policy shall be reviewed annually and any amendments thereto shall be approved by NRC and the Board of Directors. If at any point a conflict of interpretation/information between the Policy and any regulations, rules, guidelines, notification, clarifications, circulars, master circulars/ directions issued by relevant authorities ("Regulatory Provisions") arises, then the interpretation of the Regulatory Provisions shall prevail. In case of any amendment(s) and/or clarification(s) to the Regulatory Provisions, the Policy shall stand amended accordingly from the effective date specified as per the Regulatory Provisions.

Annexure-3 to the Directors' Report

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

Sr. No.	Requirement	Disclosure	
1	The ratio of the remuneration of each Director to the median remuneration of the employees for the financial year	Executive Directors	
		Mr. R. Venkataraman	81.25X
		Mr. Narendra Jain	19.92X
		Non-Executive Directors	
		Ms. Rekha Warriar	2.37X
		Mr. Shamik Das Sharma	2.02X
		Mr. Anand Shailesh Bathiya	2.43X
2.	The percentage increase in remuneration of each Director, CFO, CEO, CS in the financial year	Mr. Viswanathan Krishnan	2.46X
		MD	0%
		WTD	29%
		CFO	32%
3.	The percentage increase in the median remuneration of employees in the financial year	CS	35%
		The median remuneration of the employees in the financial year was increased by 10%. The calculation of 10% increase in Median Remuneration is done based on comparable employees. For this the employees who were not eligible for any increment have been excluded.	
4.	The number of permanent employees on the rolls of the Company	The Company had 1,579 employees on the rolls as on March 31, 2023.	
5.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	In Financial Year 2022-23, there is an average increase of 14 % in the remuneration other than managerial personnel as compared to increase of 14% in the remuneration of managerial personnel	
6.	Affirmation that the remuneration is as per the remuneration policy of the Company	Yes, it is confirmed	

Note:

- The ratio of the remuneration of each director to the median employee's remuneration is prepared based of comparable remuneration i.e. 2021-22 and 2022-23.
- Remuneration paid to the Independent Non –Executive Directors includes sitting fees for attending Board Meetings/Committee Meetings and commission paid during FY 2022-23.
- MD- Managing Director, WTD- Whole Time Director, CFO- Chief Financial Officer, CS – Company Secretary.

For and on behalf of the Board

R. Venkataraman

Chairman and Managing Director
DIN: 00011919

Date: April 24, 2023
Place: Mumbai



Annexure-4 to the Directors' Report

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023

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

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

Dear Sir / Madam,

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

Based on our verification of the Company's Books, Papers, Minutes Books, Forms and Returns filed with regulatory authorities and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the financial year ended March 31, 2023, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We further report that maintenance of proper and updated Books, Papers, Minutes Books, filing of Forms and Returns with applicable regulatory authorities and maintaining other records is responsibility of management of the Company. Our responsibility is to verify the content of the documents produced before us, make objective evaluation of the content in respect of compliance and report thereon. We have examined on test basis, the books, papers, minute books, forms and returns filed and other records maintained by the Company and produced before us for the financial year ended March 31, 2023, according to the provisions of:

- (i) The Companies Act, 2013 and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, as applicable to the Company;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - (a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015, (SEBI LODR Regulations);
 - (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 to the extent applicable;
 - (e) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client.
- (vi) Considering activities, the Company is also subject to compliance of the following laws specifically applicable to the Company:
 - (a) The Securities and Exchange Board of India (Stock-Brokers and Sub-Broker) Regulations, 1992;
 - (b) The Securities and Exchange Board of India (Investment Advisors) Regulations, 2013;
 - (c) The Securities and Exchange Board of India (Portfolio Managers) Regulations, 1993;
 - (d) The Securities and Exchange Board of India (Intermediaries) Regulations, 2008;
 - (e) The Securities and Exchange Board of India (Research Analyst) Regulations, 2014;
 - (f) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
 - (g) The Securities and Exchange Board of India (Know Your Client) Regulations, 2011;
 - (h) The Securities and Exchange Board of India (Merchant Bankers) Regulation, 1992
 - (i) Pension Fund Regulatory and Development Authority (Point of Presence) Regulations, 2015.
 - (j) The Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012.

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

- 1) In an investigation in the matter of trading activities in the scrip of ICICI Lombard General Insurance Co. Ltd. during the period 1st April, 2019 to 30th September, 2019, it was held by the Adjudicating Officer that the Company has violated provisions of Clauses A(3) to A(4) of Code of Conduct as specified under Schedule II read with Regulation 9(f) of the Securities and Exchange Board of India (Stock Brokers) Regulations, 1992 and levied penalty of ₹ 2,500,000/- on the Company;
- 2) In the matter of various inspections conducted during 2011-2014 and 2015-2017, pursuant to SEBI circular no. SMD/SED/CIR/93/23321 dated November 18, 1993, the SEBI has passed two separate adjudication order levying penalty of ₹ 10,000,000/- each for failure to segregate its own funds from client funds, misusing credit balance of client funds for debit balance client funds; and not appropriately designating client bank accounts. The Company preferred an appeal before the Securities Appellate Tribunal (SAT) and the same is pending with SAT.
- 3) During the inspection of Merchant Banking activities, the Company has received an administrative warning in the matter of one of the IPO, for violating the provisions of Regulation 24(3) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 read with the Securities and Exchange Board of India (Merchant Bankers) Regulation, 1992 for not conducting site visit;
- 4) During the inspection of Merchant Banking activities, the Company has received an administrative warning for not maintaining time stamp and audit trail for Structured Digital Database (SDD) as required under Regulation 3(5) of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as applicable to an intermediary.

We have also examined compliance with the applicable clauses of:

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

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

- (a) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021.

- (b) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021.
- (c) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018.

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

We further report that:

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

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

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

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

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

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

Signature:

Name: Nilesh Shah

For Nilesh Shah & Associates

Company Secretaries

FCS : 4554

C.P : 2631

Peer Review No. 698/2020

Date: 24.04.2023

Place: Mumbai

UDIN: F004554E000182402



Annexure-A

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

Dear Sir / Madam,

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

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

Date: 24.04.2023
Place: Mumbai
UDIN: F004554E000182402

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

Annexure-5 to the Directors' Report

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

For the Financial Year Ended March 31, 2023

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

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

Dear Sir / Madam,

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

Based on our verification of the Company's books, papers, minutes books, forms and returns filed with regulatory authorities and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the financial year ended March 31, 2023, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

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

We have examined on test basis, the books, papers, minute books, forms and returns filed and other records maintained by the Company and produced before us for the financial year ended March 31, 2023, according to the provisions of:

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

- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client.
 - (b) The Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 (to the extent applicable as a Trustee).

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

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

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

- (a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015;
- (b) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021.
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (d) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (e) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;



- (f) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
- (h) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018;
- (i) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

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

We further report that:

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

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

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

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

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

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

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

Signature:

Name: Nilesh Shah
For Nilesh Shah & Associates
 Company Secretaries

Date: 22.04.2023 (Initialled on 21.04.2023) FCS : 4554
 Place: Mumbai C.P. : 2631
 UDIN: F004554E000171952 Peer Review No. 698/2020

Annexure-A

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

Dear Sir / Madam,

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

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

Date: 22.04.2023 (Initialled on 21.04.2023)
Place: Mumbai
UDIN: F004554E000171952

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



Business Responsibility and Sustainability Report

SECTION A GENERAL DISCLOSURES

I Details of the listed entity

Sr. No.	Particulars	Details
1.	➔ Corporate Identity Number (CIN) of the listed entity	➔ L99999MH1996PLC132983
2.	➔ Name of the listed entity	➔ IIFL Securities Limited
3.	➔ Year of incorporation	➔ 1996
4.	➔ Registered office address	➔ IIFL House, Sun Infotech Park, Road No. 16V, Plot No.B-23, Thane Industrial Area, Wagle Estate, Thane - 400 604
5.	➔ Corporate address	➔ IIFL, Ground Floor, Hubtown Solaris, N.S. Phadke Marg, Near East West Flyover, Andheri East, Mumbai - 400 069
6.	➔ E-mail	➔ secretarial@iifl.com
7.	➔ Telephone	➔ +91 22 41035000
8.	➔ Website	➔ www.iiflsecurities.com
9.	➔ Financial year for which reporting is being done	➔ April 1, 2022 to March 31, 2023
10.	➔ Name of the Stock Exchange(s) where shares are listed	➔ National Stock Exchange of India Limited, BSE Limited
11.	➔ Paid-up Capital (as on March 31, 2023)	➔ ₹ 611,057,932
12.	➔ Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	➔ Meghal Shah Company Secretary +91 22 61086300 secretarial@iifl.com
13.	➔ Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together)	➔ Disclosures made in this report are on a standalone basis

II Products/services



14. Details of business activities (accounting for 90% of the turnover)

Description of main activity	Description of business activity	% of turnover of the entity
Broking and Financial Services	Broking & Depository Services, Investment Banking and Distribution of Financial Products	91%

15. Products/Services sold by the entity (accounting for 90% of the entity's turnover)



Product/Service	NIC Code	% of total turnover contributed
Broking Services	66120	70%
Investment Banking and Distribution of Financial Products	66190	21%

III Operations
16. Number of locations where plants and/or operations/offices of the entity are situated:


Location	Number of plants	Number of offices	Total
 National	NA	104	104
 International	NA	01	01

Above data is as on March 31, 2023

17. Markets served by the entity:
a. Number of locations

Locations	Number
 National (No. of States)	36 States* (including Union Territories)
 International (No. of Countries)	24

*This includes places where services are offered by the Authorised Persons.

b. What is the contribution of exports as a percentage of the total turnover of the entity?

Contribution of exports as % of total turnover is 2.25% during FY 2022-23.

c. A brief on types of customers

IIFL Securities offers its customers with a bouquet of services; including broking, financial products distribution, third party products and wealth solutions designed to meet their varied life stage needs.

The Company offers investment and trading solutions to customers belonging to different sections, namely, Gen Z and young millennials, Non Resident Individuals (NRIs), self-employed professionals, corporates, High Net Worth Individuals (HNIs) and Ultra HNIs, Foreign Institutional Investors, Domestic Institutional Investors, etc. in meeting their financial goals through its comprehensive platforms.

Also, Investment Banking services are provided to corporates and institutional clients by the Company.



IV Employees

18. Details as at the end of Financial Year

a. Employees and workers (including differently abled)



Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES						
1.	Permanent (D)	1,579	1,239	78%	340	22%
2.	Other than Permanent (E)	3	1	33%	2	67%
3.	Total employees (D + E)	1,582	1,240	78%	342	22%

Note: The Company does not have any workers as defined in the guidance note on BRSR, issued by SEBI

b. Differently abled Employees and workers

The Company is committed to promote equal opportunity for all its employees and treat all employees at par. However, during the year the Company did not have any differently abled employee. Further, the Company does not have any workers as defined in the guidance note on BRSR, issued by SEBI.

19. Participation/Inclusion/Representation of women



	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	6	1	16.66%
Key Management Personnel*	4	1	25.00%

* Key Management Personnel refers to the Managing Director, Whole-time Director, Chief Financial Officer and Company Secretary as defined under Section 203 (1) of the Companies Act, 2013.

20. Turnover rate for permanent employees and workers



	FY 2022-23 (Turnover rate in current FY)			FY 2021-22 (Turnover rate in previous FY)			FY 2020-21 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent employees*	53%	77%	59%	39%	73%	48%	31%	59%	38%

Note: The Company does not have any workers as defined in the guidance note on BRSR, issued by SEBI

* Includes all employees except those on probation

V Holding, Subsidiary and Associate Companies (including joint ventures)

21. a. Names of holding / subsidiary / associate companies / joint ventures

Sr. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	IIFL Facilities Services Limited	Subsidiary	100	No
2.	IIFL Management Services Limited	Subsidiary	100	No
3.	Livlong Insurance Brokers Limited (Formerly IIFL Insurance Brokers Limited)	Subsidiary	100	No
4.	IIFL Commodities Limited	Subsidiary	100	No
5.	Livlong Protection and Wellness Solutions Ltd (Formerly IIFL Corporate Services Limited)	Subsidiary	95	No
6.	India Infoline Foundation	Subsidiary	NA*	No
7.	Shreyans Foundations LLP	(Step down subsidiary company)	NA	No
8.	Meenakshi Towers LLP	Subsidiary	NA	No
9.	IIFL Securities Services IFSC Limited	Subsidiary	100	No
10.	IIFL Wealth (UK) Limited	Foreign Subsidiary	100	No
11.	IIFL Capital Inc.	Foreign Subsidiary	100	No

*The Company is limited by guarantee and not having share capital.

VI CSR details

22. i) Whether CSR is applicable as per section 135 of Companies Act, 2013

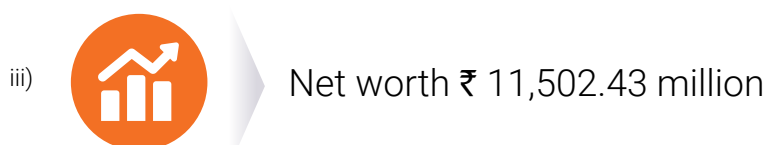


Yes



ii)

Turnover ₹ 12,690.31 million



iii)

Net worth ₹ 11,502.43 million







VII Transparency and Disclosures Compliances

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct




Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities 	Yes. The CSR Policy of the Company provides for Grievance Redressal Mechanism. https://www.indiainfo.com/securities/corporate-governance.php	0	0	-	0	0	-
Shareholders and Investors 	Yes. The same can be accessed at https://www.indiainfo.com/securities/corporate-governance.php .	9	0	-	10	0	-
Employees and workers 	Yes, Grievance Redressal Policy is in place and same can be accessed on intranet	3	0	-	0	0	-
Customers 	The same is available on IIFL Securities' Website - https://www.indiainfo.com/contactus	2,887	0	-	5,152	0	-
Value Chain Partners 	Yes. We have a Grievance Redressal Mechanism wherein they can reach us. Our General Grievance Redressal Policy can be accessed at https://www.indiainfo.com/securities/corporate-governance.php	364	0	-	0	0	-

24. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

Sr. No.	Material issue identified	Indicate whether Risk or Opportunity (R/O)	Rationale for identifying the Risk / Opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Data security and privacy 	Risk and Opportunity	<p>Risk explained Rapid adoption of digitalisation across our business and operations increases the risk of any breaches in data security or privacy.</p> <p>Opportunity explained Setting up an efficient, best-in-class digital infrastructure enables us to create sustainable value for our customers and gain an edge over our peers.</p>	We follow a well-defined policy on data security and privacy. We have embraced a data-centric security strategy.	<p>Positive</p> <ul style="list-style-type: none"> Automation of several manual processes, leading to cost saving Increased trust and credibility across all stakeholders, aiding business performance Stronger brand image <p>Negative</p> <ul style="list-style-type: none"> Loss of revenue, customers, other stakeholders in case of any major lapse
2	Products and service quality 	Opportunity	<p>Opportunity explained Providing customers with relevant, need-based and superior products and services is key to the long-term success of our business.</p>	Not applicable	<p>Positive</p> <ul style="list-style-type: none"> Strong financial performance Healthy rate of customer retention Continued addition of new customers
3	Customer relationship management 	Opportunity	<p>Opportunity explained Our comprehensive approach to provide customers with superior experiences will help us build and fortify their trust. We provide quality customer relationship services and continue to upskill our people in this regard.</p>	Not applicable	<p>Positive</p> <ul style="list-style-type: none"> High NPS score Strong rate of customer retention
4	Talent attraction and retention 	Risk and Opportunity	<p>Risk explained Any failure on our part to provide best-in-class work culture to employees could increase attrition levels and/or make it difficult to attract quality talent.</p> <p>Opportunity explained Our strong practices across the employee life cycle (recruitment, trainings, incentives and benefits, performance development, etc.) helps us provide a growth-oriented, merit-driven work experience to our people.</p>	We provide continuous learning, upskilling and training to our employees. Our aim of providing them with a work-life balance, grievance redressal, reward and recognition and a nurturing work environment has made us a great place to work.	<p>Negative</p> <ul style="list-style-type: none"> Higher-than-industry employee costs High attrition levels <p>Positive</p> <ul style="list-style-type: none"> Strong employee retention levels Higher employee productivity



Sr. No.	Material issue identified	Indicate whether Risk or Opportunity (R/O)	Rationale for identifying the Risk / Opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
5	Community relations 	Opportunity	Opportunity explained Our community initiatives are aimed at promoting all-round development and inclusive growth of the marginalised sections of the society. By providing them with education, health facilities, skill training and other need-based support; we are making a real difference in their lives.	Not Applicable	Positive <ul style="list-style-type: none"> • Stronger goodwill • Inclusive development
6	Energy management 	Opportunity	Opportunity explained The carbon footprint of our operations is relatively lesser when compared to manufacturing companies. However, we keep exploring and adopting practices and mechanisms to optimise energy management across our branches and offices	Not Applicable	Positive <ul style="list-style-type: none"> • Savings in energy units consumed, costs • Higher credit/ESG ratings
7	Climate change strategy 	Opportunity	Opportunity explained In the fight against climate change, are hidden opportunities for efficiency, innovation, and growth. In addition to reducing the carbon footprint of our operations, we are imbibing ESG factors in our equity research.	Not Applicable	Positive <ul style="list-style-type: none"> • Contributing to a greener environment • Favorable credit ratings

In addition to the above mentioned material issues pertaining to environmental and social matters, the Company has also identified other issues relevant to the business and the stakeholders. Refer to section 'Addressing Material Matters' of this report to read more details.

SECTION B MANAGEMENT AND PROCESS DISCLOSURES

The National Guidelines on Responsible Business Conduct (NGRBCs) as prescribed by the Ministry of Corporate Affairs advocates nine principles referred as P1-P9 as given below



Disclosure questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
b. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
c. Web Link of the Policies, if available	The Corporate policies of the Company can be viewed at weblink https://www.indiaifoline.com/securities/corporate-governance.php . Some of the policies of the Company are accessible only to employees and other internal stakeholders.								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4. Name of the national and international codes/certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	At IIFL Securities, we have reviewed and updated all policies across the 9 principles based on industry practices. These policies are made as per the laws and regulations applicable to the Company. We have engaged with an independent, external consultant having expertise in this area. We have co-ordinated with relevant internal stakeholders to incorporate their suggestions in the policies. Policy on Prevention of Sexual Harassment at Workplace, Nomination and Remuneration Policy, Corporate Social Responsibility Policy, Anti Bribery and Anti-Corruption Policy, Whistle Blower Policy etc. are in line with the applicable national laws and guidelines..								



5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	The Company is committed to adhere to the required legal and regulatory timelines for implementation of policies in true letter and spirit. Further many of the policies are made applicable to the subsidiary companies.
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	The performance of the policies is reviewed in terms with the scope and objectives therein. The ESG Committee reviews the progress on interval basis and reports the same to the Board.

Governance, leadership and oversight

7. Statement by Director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)	Doing business in a responsible and sustainable manner is one of the key imperatives for us. We continuously engage in discussion with all our stakeholders to identify key ESG issues and address them in a seamless manner. We have put in place well-defined policies and procedures for enhancing our overall ESG performance. We are in the process of finalising our ESG roadmap and targets for the next few years. Our focus is on creating long-term value for all stakeholders and continuously enhancing our ESG performance. We are committed to implement best-in-class ESG practices and “walk the talk” on ESG, both in letter and in spirit.
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Board of Directors
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	ESG Committee is responsible for decision making on sustainability related issues. The ESG committee consisted of 2 Independent Directors and 2 KMPs as on March 31, 2023.

10. Details of review of NGRBCs by the Company

Subject for review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee	Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)
	P1 P2 P3 P4 P5 P6 P7 P8 P9	P1 P2 P3 P4 P5 P6 P7 P8 P9
Performance against above policies and follow up action	Yes. The ESG Committee, concerned Committees and Board reviews the performance against all policies under all 9 principles.	The policies of the Company are reviewed periodically/annually, as the need may be.
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	The Company has necessary procedures in place to ensure the compliance with all relevant regulations.	




11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/ No). If yes, provide name of the agency.	<p>P1 P2 P3 P4 P5 P6 P7 P8 P9</p> <p>All policies and processes are subject to audits / reviews done internally in the Company from time to time.</p>
--	--

12. If answer to question (1) above is “No” i.e. not all Principles are covered by a policy, reasons to be stated

Not applicable

PRINCIPLE 1 Businesses should conduct and govern themselves with integrity, and in a manner that is ethical, transparent and accountable

Essential Indicators
1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year

Segment	Total number of training & awareness & programmes held	Topics / principles covered under the training and its impact	% age of persons in respective category covered by the awareness programmes
 Board of Directors	02	<ul style="list-style-type: none"> • BRSR • ESG 	100
 Key Managerial Personnel	04	<ul style="list-style-type: none"> • AML • BRSR • POSH • ESG 	100
 Employees other than BoD and KMPs	04	<ul style="list-style-type: none"> • AML • BRSR • POSH • ESG 	95 75 92 86

BRSR – Business Responsibility & Sustainability Reporting; ESG – Environmental, Social & Governance; AML - Anti Money Laundering; POSH – Prevention of Sexual Harassment

Training and development of employees is an ongoing process at IIFL Securities. These trainings are conducted through emails, posters and other modes of internal communication for varied, but relevant topics.

The Company runs a robust mental health awareness campaign to sensitise its workforce about the same. With the objective of enabling our employees lead more sustainable and responsible lives, we implemented awareness programs/ emailers around the topic of ESG, food wastage, and so on.

Pursuant to Regulations 25 (7) and 46 of SEBI Listing Regulations, our Company has a familiarisation program for its Independent Directors. The Board members are familiarised with their roles, rights and responsibilities in the Company as well as with the nature of industry and business model of the Company at the time of their appointment as a Director. Presentations are made during the Board/Committee meetings periodically to the Directors on various matters, *inter alia*, covering our Company's and its major subsidiaries, businesses and operations, industry and regulatory updates, strategies, finance, risk management framework, cyber security, IT, CSR initiatives, employee practices, role, rights, responsibilities of the Independent Directors under various statutes and other relevant matters. Details of the program for familiarisation of Independent Directors are available on the website and can be accessed on <https://www.indiaonline.com/securities/corporate-governance.php>

The Company has a Code of Conduct (Code) which defines the professional and ethical standards that employees and Directors need to adhere to in compliance with all applicable statutory laws, regulations and internal policies. The Code of Conduct for Board of Directors and Senior Management is published on the Company's website, <https://www.indiaonline.com/securities/corporate-governance.php>

The Company periodically conducts awareness campaigns to familiarise the employees with important policies of the Company to ensure adherence to the highest standard of ethical behavior.

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website).

None.



3. Of the instances disclosed in Question 2 above, details of the appeal/ revision preferred in cases where monetary or non-monetary action has been appealed.

Not applicable.

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes. The Company has a well -defined Anti-Bribery and Anti-Corruption Policy which set out the Company's responsibilities, and those working for and on its behalf, in observing and upholding its position on bribery and corruption in their dealings. The Policy, *inter alia*, provides for maintenance of books and accounts that conform to highest professional standards of accuracy and consistency that fairly reflect the Company's transactions. It also provides for maintenance of internal controls to prevent and detect potential violation of the Policy. Further, the Policy sets out the process for reporting a concern or complaint under the said Policy and the manner of dealing with the same. It also lays down the responsibilities of respective stakeholders under the Policy for its effective implementation. The Policy is available on the Company's website, [here](#).

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption

	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
 Directors	NIL	NIL
 KMPs	NIL	NIL
 Employees	NIL	NIL

6. Details of complaints with regard to conflict of interest

	FY 2022-23 (Current Financial Year)		FY 2021-22 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	NIL	NIL	NIL	NIL
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	NIL	NIL	NIL	NIL

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Not Applicable.

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the principles during the financial year.

The Company has conducted approximately 200 webinars in FY 2022-23. These webinars were about products and different processes in which our partners were asked to avoid sharing any misleading information to end clients. Further, they were also instructed to strictly follow all compliance while placing trades on behalf of clients and also while communicating information related to any products.

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/ No) If Yes, provide details of the same.

Yes. The Company has a Policy on Conflict of Interest to identify and manage conflicts of interest which may arise during the course of its business activities. Further, the Directors, on an annual basis, provide a disclosure of his/her concern or interest in any company or companies or bodies corporate, firms, or other association of individuals.



In order to manage conflict of interest, the Company has adopted a strong corporate governance framework with more than 50% of the Board Members being independent. Also, the Board Committees generally comprise a majority of Independent Directors and are chaired by an Independent Director.

The Company has a separate Code of Conduct (CoC) for the Board of Directors and Senior Management Personnel whereby they are required to maintain standards of conduct and become aware of those situations where there is likely to be a potential conflict between the interest of the Company and interest of the Director / Senior Management. Further, Directors do not participate in discussion of matters where they are interested.

PRINCIPLE 2 Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)	Details of improvements in environmental and social impacts
 R&D	-	-	-
 Capex	-	-	-

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)
 b. If yes, what percentage of inputs were sourced sustainably?

IIFL Securities is engaged in the financial services sector and as such the consumption of resources is limited to running of operations and sourcing of inputs is not relevant to our core activities. However, we have an Environmental Policy which provides that the Company will promote responsible sourcing, wherever possible and within reasonable cost boundaries, across its supply chain.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

Being a financial services company, our operations have limited impact on the environment. However, being a responsible corporate citizen, we continuously work towards enhancing our practices around reusing/recycling/disposing of wastes as mentioned below



(a) Plastics

No single-use plastics are being used across any of our branches and offices. We use 100% bio degradable plastic garbage bags to collect and dispose off dry and wet wastes.



(b) E-waste

The Company has engaged with reputed e-waste vendors to ensure safe disposal of e-wastes. Accordingly, all scrap electronic assets like computers, tablets, printers, scanners, servers, batteries, etc. are disposed off through such registered e-waste vendors.



(c) Hazardous waste

Given the nature of our business, our Company does not generate hazardous wastes.



(d) Other waste

All other waste is gathered and responsibly disposed off with the help of the local waste management authorities.



4. **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

Not applicable.

Leadership Indicators

1. **Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?**

Not applicable.

2. **If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.**

Not applicable.

3. **Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).**

Not applicable.

4. **Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format.**





Not applicable.

5. **Reclaimed products and their packaging materials (as percentage of products sold) for each product category.**

Not applicable.

PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators
1. a. Details of measures for the well-being of employees

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent employees											
 Male	1,239	1,239	100	1,239	100	NA	NA	1,239	100	1,239	100
 Female	340	340	100	340	100	340	100	NA	NA	340	100
Total	1,579	1,579	100	1,579	100	340	21.53	1,239	78.47	1,579	100
Other than Permanent employees											
 Male	1	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
 Female	2	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	3	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

Note : Other than permanent employees are employed only on project basis or short term basis and hence are not covered under insurance and other benefits.

The Company also extends life insurance and Employees' Deposit Linked Insurance Scheme for Provident Fund opted employees in the event of death of employees. Further, to enable women employees to stay invested in their career, the Company offers supportive policies that cater to their needs at various life stages. Some of these policies include maternity policy, adoption leaves and medical leave in case of abortion and miscarriage, any illness arising out of pregnancy and trust based sick leave and paternity leaves.

The Company has tied up with crèche providing agency and offers the facility to employees whose children are aged upto 6 years. The Company has a robust mental wellbeing program where each employee is given access to a counsellor and a mental health expert. Timely webinars on mental health are conducted. The fitness wing of the organisation is under the banner of iFitboot camp where employees are given access to coach for physical fitness along their journeys. The Company also encourages and facilitates employees' participation in marathons.



2. Details of retirement benefits, for Current FY and Previous Financial Year

Benefits	FY 2022-23			FY 2021-22		
	Current Financial Year			Previous Financial Year		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100	NA	Y	100	NA	Y
Gratuity	100	NA	NA	100	NA	NA
ESI	100	NA	Y	100	NA	Y
Others – please specify	-	-	-	-	-	-

*The company does not have any workers as defined in the guidance note on BRSR, issued by SEBI.

3. Accessibility of workplaces.

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

The Company through its Equal Opportunity Policy and Human Rights Policy prohibits any kind of discrimination against any person with disability in any matter related to employment. Large corporate offices of the Company have ramps for easy movement of differently abled people and wheelchair accessibility, thus making them friendly accessible.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

IIFL Securities has adopted the Equal Opportunity Policy in accordance of the Rights of Persons with Disabilities Act, 2016. The same can be accessed [here](#).

5. Return to work and retention rates of permanent employees and workers that took parental leave

Gender	Permanent employees	
	Return to work rate	Retention rate
Male	100%	100%
Female	100%	76%
Total	100%	76%

*Retention rate determines employees who have returned to work after parental leave ended and were still employed 12 months later.

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent employees	Yes
Other than Permanent employees	Yes

Note:



We have a robust Employee Grievance Redressal Policy which provides a platform for employees to raise their grievances falling under the purview of all employee welfare policies like Human Rights Policy, Diversity and Inclusion Policy, Equal Opportunity Policy, Workplace Health and Safety Policy, etc. The employees can raise a grievance either by writing an email at grievance.sec@iifl.com or addressing a letter to the Head -Human Resources for timely resolution.

The Company has adopted zero tolerance for harassment and discrimination of employees at workplace. In this regards, the Company has a Policy for Prevention of Sexual Harassment at Workplace (the "Policy") framed in accordance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 (the "Act") which aims to provide protection against sexual harassment to women at the workplace and prevent and redress complaints of sexual harassment and matters connected therewith and incidental thereto. For grievance pertaining to sexual harassment, the employees may write to posh@iifl.com. An Internal Complaints Committee has been constituted under the Policy for investigation and resolution of the grievances.

The Company also has a Whistle Blower Policy which provides a vigil mechanism for stakeholders, including individual employees to report unethical, unlawful or improper practices or activities as covered in the scope of the Policy. The employees can freely communicate their concerns on illegal or unethical practices by writing to iiflsecwhistleblower@iifl.com. Direct access to the Chairman of the Audit Committee is also provided in exceptional cases.

Regular communication and awareness campaigns are conducted by the Company on various policies through various employee channels- intranet, mailers, whatsapp campaigns, etc.

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity

Category	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Permanent Employees						
 Male	-	-	-	-	-	-
 Female	-	-	-	-	-	-
Total	-	-	-	-	-	-

*The company does not have any workers as defined in the guidance note on BRSR, issued by SEBI.



8. Details of training given to employees and workers

Category	FY 2022-23 Current Financial Year					FY 2021-22 Previous Financial Year				
	Total (A)	On health and safety measures		On skill upgradation		Total (D)	On health and safety measures		On skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Male	1,239	1,239	100	1,025	83	1,668	1,668	100	1,334	80
Female	340	340	100	289	85	586	586	100	467	80
Total	1,579	1,579	100	1,314	83	2,254	2,254	100	1,801	80

The organisation believes in continuous learning and facilitating the employees to advance in their domains through timely and appropriate product trainings and upskilling workshops. We conduct several general and specialised training programs and awareness campaigns to ensure all-round growth and well-being of our workforce.

Advanced Wealth Management certification was introduced for upskilling our Relationship Managers. There was a one-day experiential workshop "Sharpen the Saw" designed to focus on sharpening interpersonal skills of Relationship Managers.

We have a robust learning campaign to ensure the completion of compliance trainings by all employees. Timely e-learning modules are curated for bringing awareness for the updated policies in the organisation. Further, there was a 100% coverage on all regulatory certifications for all eligible employees in FY 2022-23.

Health and safety being prime concern, during the year the Company has conducted various health and safety awareness campaigns. These included fire drills, webinar by experts on physical and mental wellbeing, sessions on health related topics like Diet & Nutrition, importance of physical activity, Power Circle sessions for female employees etc.

9. Details of performance and career development reviews of employees and worker

Category	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	1,239	1,239	100	1,668	1,668	100
Female	340	340	100	586	586	100
Total	1,579	1,579	100	2,254	2,254	100

All eligible employees undergo performance appraisal process as determined by the Company. Career development is achieved through a mix of trainings, higher roles and lateral movement or job enhancements. The Company has a structured performance management process aligned to its Key Performance Indicators (KPIs). The Company has a succession planning process to facilitate the development and career planning of high potential talent, migrate the depth of leadership cover for each role to mitigate vacancy risk and business continuity.

10. Health and safety management system

- a. **Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage of such system?**

Being a financial services company, there are no major occupational health and safety risks for our employees.

We are committed to provide a safe and healthy workplace and comply with applicable laws and regulations with respect to safety at workplace. We have a Policy on Health and Safety at workplace.

We also conduct periodic training on fire safety and evacuation drills for employees and have nominated fire marshals across the organisation.

Employee wellbeing initiatives are taken regularly to promote physical, emotional and mental wellbeing of our people. The Company has collaborated with YOURDOST for mental wellbeing support. Each employee has access to a mental health expert and counselling services.

We also nudge employees to seek expert counselling whenever required. All employees and their dependents are eligible for hospitalisation coverage. The Company has enhanced the employee benefits for protection of health and wellbeing such as Group term insurance and Personal Accident Insurance.

- b. **What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**

Not applicable

- c. **Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)**

Not applicable

- d. **Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)**

Yes. The Organisation has insured its employees under the group term insurance, health insurance and accidental insurance policies.

11. Details of safety related incidents, in the following format

Safety Incident/Number	Category	FY 2022-23 Current Financial Year	FY 2021-22 Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	 →	NIL	NIL
	 →	NA	NA
Total recordable work-related injuries	 →	NIL	NIL
	 →	NA	NA
No. of fatalities	 →	NIL	NIL
	 →	NA	NA
High consequence work-related injury or ill-health (excluding fatalities)	 →	NIL	NIL
	 →	NA	NA

*The company does not have any workers as defined in the guidance note on BRSR, issued by SEBI.

**12. Describe the measures taken by the entity to ensure a safe and healthy work place.**

Being a financial services company, the employees work in a low-risk environment and are not potentially exposed to any significant occupation workplace hazards. Nevertheless, the Company strives to create a conducive workplace, free of hazards and promote the health and well-being of its employees. The Company has in place a Policy on Workplace Health and Safety and is committed to provide a safe and healthy workplace to its people and it complies with applicable laws and regulations with respect to safety at workplace.



We conduct periodic training on fire safety and evacuation drills for employees. We have also nominated fire marshals across the organisation. Fire extinguishers are kept filled to ensure effective use during any untoward incident.

Frequent equipment checks are carried out to mitigate any wear and tear due to continued use e.g.: air conditioners, etc. Also, we have an annual maintenance contract for all electrical equipment in all offices. On call doctor service is available for all employees. Wheel chair facility is available at major offices.



Employee wellbeing initiatives are taken timely to promote physical and mental wellbeing. There are various nudges timely rendered with the help of mailers for the employees to use these benefits. The Company has instituted programs for employees to help cope with the mental stress and anxiety. The Company has collaborated with YOURDOST for mental wellbeing support.

Further to cultivate a healthy lifestyle, the Company promotes participation in Marathons and also has iFitboot camp on various intervals for physical fitness.

13. Number of complaints on the following made by employees and workers

	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
 Working conditions	NIL	NIL	-	NIL	NIL	-
 Health and safety	NIL	NIL	-	NIL	NIL	-

14. Assessments for the year

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
 Health and safety practices	All our offices are internally assessed periodically through internal audits for various aspects of health and safety measures and related working conditions.
 Working conditions	

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

NIL

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).


Yes, the Company extends support to families in the event of any employee's death. This includes Group Term cover, Group Personal Accident cover and Retiral benefits. In the event of death, gratuity is paid even if the employee had not completed five years of continuous service with the Company. Additionally, in case of death/permanent incapacity while in employment, all the options granted to the eligible employee as on the date of death/ permanent incapacitation, vests in him on that day.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

The Company makes payment for the statutory dues like GST to the value chain partners (vendors) upon verification from the Government database that the same has been deposited by the concerned value chain partner. The Company has internal audit policies and procedures to ensure the above.

3. Provide the number of employees / workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment

Total no. of affected employees/ workers*		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
NA	NA	NA	NA



Employees

*The company does not have any workers as defined in the guidance note on BRSR, issued by SEBI.

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No).

IIFL Securities has a retirement process in place which aims to define terms of retirement for employees. The Company during the course of employment provides opportunities for all employees to upskill themselves through domain, skill and leadership training and help them stay ahead of latest trends. With such training, most employees are skilled and tend to be employable.

5. Details on assessment of value chain partners.

NIL.

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

NIL.



**PRINCIPLE 4** Businesses should respect the interests of and be responsive to all its stakeholders**Essential Indicators****1. Describe the processes for identifying key stakeholder groups of the entity.**


The ESG team interacts with all functional heads to understand the activities and processes undertaken in relation to the business and the stakeholders involved. After detailed discussion, the key stakeholders of the Company are identified based on the significance of their impact on the business and the impact of the business on them.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

The concerned team interact closely with their respective stakeholders throughout the year to understand their needs and concerns. These conversations provide valuable feedback and an outside-in perspective of our business. The insights are considered while making important decisions across our businesses.

Stakeholder interactions might be structured or unstructured. Based on mutual convenience and need, the engagement may be scheduled as needed, or pre-scheduled on a periodic basis (fortnightly/ monthly/ quarterly/ annual) or continuous (e.g. website, social media).

Stakeholder Group	Whether identified as Vulnerable & Marginalised Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly/ others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
 Customers	No	<ul style="list-style-type: none"> Corporate website Toll-free number Digital platforms Social media Customer relationship managers Customer satisfaction surveys Media campaigns & Advertising Knowledge seminars & events Email 	<ul style="list-style-type: none"> Daily Weekly Monthly Annually 	To get an update on their experience with us, their evolving needs of financial/ investing solutions and to address their grievances. Matters important to them include <ul style="list-style-type: none"> Trust Data & cyber security Quality of customer service Investment in new technologies
 Business Partners & Vendors	No	<ul style="list-style-type: none"> One-to-one meeting with the top management Product/process trainings for new and old partners Industry Speak and Product Team Webinars for product updates Channel partner meets Conferences and Forums Written communications 	<ul style="list-style-type: none"> Daily Weekly Monthly Annually 	To drive awareness about relevant, new and existing offerings of our Company. To align their business objectives with that of our Company and address their grievances. Matters important to them include <ul style="list-style-type: none"> Maintaining relationships Growth opportunities Quick and efficient payments Quick response to queries

Stakeholder Group	Whether identified as Vulnerable & Marginalised Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly/ others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees 	No	<ul style="list-style-type: none"> Review meets Town halls Employee surveys Learning & Development initiatives Portals Discussion with senior leaders Engagement initiatives/offsites 	<ul style="list-style-type: none"> Daily Weekly Monthly Annually 	To further strengthen our employee value proposition, employee retention and identify their needs (skill development, work-life balance, etc.) for their professional growth. Matters important to them include <ul style="list-style-type: none"> Training & development Grievance redressal Reward & Recognition Employee engagement activities Career progression
Rating Agencies & Lenders 	No	<ul style="list-style-type: none"> Presentations & written communications Meetings on strategy, financial plans, risk management, & other business related updates 	<ul style="list-style-type: none"> Event-based 	To update them about the Company's performance, take their inputs on maintaining our credit rating. Matters important to them include <ul style="list-style-type: none"> Liquidity and risk management, and risk mitigation strategies Growth plans
Regulatory bodies 	No	<ul style="list-style-type: none"> Industry associations Written Communications One-to-one meetings Mailers/representation Regulatory Audit Policy Advocacy 	<ul style="list-style-type: none"> Weekly Annually Event-based 	To stay updated about new and implement emerging regulations. To provide updates on regulatory compliances applicable to us. Matters important to them include <ul style="list-style-type: none"> Ethical practices Regulatory compliance Market credibility Policy Advocacy Industry discussions
Shareholders & Investors 	No	<ul style="list-style-type: none"> Annual General Meetings Roadshows/Sector specific conferences Investor and Analyst meets, Conference calls Annual Reports Investor Presentations, Quarterly Earnings Update, Company announcements Company website Media Releases 	<ul style="list-style-type: none"> Quarterly Half-yearly Annually Event-based 	To update them about the financial and operational performance of the Company. To respond to their queries and concerns. Matters important to them include <ul style="list-style-type: none"> Brand reputation and trust Strong, consistent financial performance Share price performance & dividend payment Strong risk management mechanism Business strategy Governance, ethics & transparency



Stakeholder Group	Whether identified as Vulnerable & Marginalised Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly/ others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Communities 	Yes	<ul style="list-style-type: none"> • CSR initiatives • Empowerment programs 	<ul style="list-style-type: none"> • Daily • Weekly • Annually 	<p>To implement programs aimed at driving welfare, inclusive growth and equitable development of the marginalised sections within our communities. To understand their needs and initiate programs, wherever feasible.</p> <p>Matters important to them include</p> <ul style="list-style-type: none"> • Social/Educational empowerment • Monitor, review and reporting of activities

Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

Concerned teams, namely CSR (communities), Marketing (customers), HR (employees), Compliance (Regulators), Finance & Accounts, etc. interact with their respective stakeholder groups on a constant basis. The concerned teams present the key feedback received from stakeholders to the ESG team. The ESG Committee at its meeting considers the same and presents it to the Board. Requisite actions are taken after receiving proper feedback/guidance from the Board/Board-level committee. Such an approach of continuous engagement helps align expectations, thereby enabling us to better serve our stakeholders.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes. In FY 2021-22, the Company engaged with PwC to conduct a stakeholder engagement and materiality assessment to understand their concerns and feedback across key material issues.

Post the assessment, various environmental and social issues were identified by the Company amongst others. The Company has in place various Policies as required under the NGRBC principles to address the identified stakeholders

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalised stakeholder groups.

IIFL Securities Limited, through IIFL Foundation, undertakes need-based projects to promote all-round wellness and development of our communities.


Few of them are mentioned below

- Extension of our flagship project – Sakhiyon Ki Baadi to children of commercial sex workers, rag pickers, Scheduled Caste/Scheduled Tribe groups
- Retail Sales Associate Training programme for youth in the aspirational district of Kupwara, Kashmir, helping the vulnerable community to acquire skills and secure livelihood
- Development of a Business hub at Gulabi Gaon, Nashik (Maharashtra), to promote entrepreneurial skills and livelihood for women from marginalised communities
- Development of Science Laboratory, computer lab and sanitation facility at government girls senior secondary school and Development of Emergency Services at Maharana Bhupal Government Hospital facilitating medical services to marginalised and vulnerable population

PRINCIPLE 5 Businesses should respect and promote human rights

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format


Category	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year			
	Total (A)	No. employees / workers covered (B)	% (B / A)	Total (C)	No. employees / workers covered (D)	% (D / C)	
Employees							
	Permanent	1,579	1,579	100	2,254	2,254	100
	Other than permanent	3	3	100	0	0	0
	Total employees	1,582	1,582	100	2,254	2,254	100

IIFL Securities Limited is committed to promoting, upholding and respecting human rights across their business operation and value chain without discrimination of any sort, including but not limited to, race, color, sex, language, religion, political or other opinions, national or social origin, property, birth or other position. The Company has in place a Human Rights Policy and awareness of the same is created amongst the employees through the use of social media as well as internal communication channels like intranets, mailers etc. Further, the Company has mandatory training module for all employees on prevention of sexual harassment of women at workplace.

You can read our Human Rights Policy here. <https://www.indiainfoline.com/securities/corporate-governance.php>

2. Details of minimum wages paid to employees and workers, in the following format



All employees have been paid more than minimum wages in accordance with applicable laws.

Category	FY 2022-23 Current Financial Year					FY 2021-22 Previous Financial Year					
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage		
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)	
	Permanent employees										
	Male	1,239	-	-	1,239	100	1,668	-	-	1,668	100
	Female	340	-	-	340	100	586	-	-	586	100
	Other than Permanent employees										
	Male	1	-	-	1	100	-	-	-	-	-
Female	2	-	-	2	100	-	-	-	-	-	

*The company does not have any workers as defined in the guidance note on BRSR, issued by SEBI.



3. Details of remuneration/salary/wages, in the following format

	 Male		 Female	
	Number	Median remuneration/ salary/ wages of respective category (in ₹)	Number	Median remuneration/ salary/ wages of respective category (in ₹)
Board of Directors (BoD) [#]	2	30.5 million	0	-
Key Managerial Personnel (KMP) ^{##}	1	4.4 million	1	2.0 million
Employees other than BoD and KMP	1,236	0.7 million	339	0.5 million

[#] Includes Managing Director and Whole Time Director

^{##} Includes Chief Financial Officer and Company Secretary

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No).

Yes, the Human Rights Policy of the Company provides that the Head - Human Resources shall be responsible for addressing any human rights related issues.

Further, there is a dedicated email id for raising complaints under Policy on Prevention of Sexual Harassment at Workplace. Also, there is an Internal Compliant Committee constituted under said Policy for handling matters thereunder and resolution of the same in accordance with the Policy.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

We have a robust Employee Grievance Redressal Policy which provides a platform for employees to raise their grievances falling under the purview of all employee welfare policies like Human Rights Policy, Diversity and Inclusion Policy, Equal Opportunity Policy, Workplace Health and Safety Policy, etc. The employees can raise a grievance either by writing an email at grievance.sec@iifl.com or addressing a letter to the Head -Human Resources for timely resolution.

The Company adopts zero tolerance for harassment and discrimination of employees at workplace. In this regard the Company has Policy on Prevention of Sexual Harassment at Workplace (the "Policy") framed in accordance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 (the "Act") which aims to provide protection against sexual harassment to women at the workplace and prevent and redress complaints of sexual harassment and matters connected therewith and incidental thereto. For grievance pertaining to sexual harassment, the employees may write to posh@iifl.com. An Internal Complaints Committee has been constituted under the Policy for investigation and resolution of the grievances.

Periodic communication and awareness campaigns on the employee welfare policies are conducted by the Company through various employee channels- Intranet, mailers, whatsapp campaigns, etc.

6. Number of complaints on the following made by employees and workers

	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual harassment	1	0	-	0	0	-
Discrimination at workplace	1	0	-	0	0	-
Child Labour	0	0	-	0	0	-
Forced Labour/Involuntary Labour	0	0	-	0	0	-
Wages	0	0	-	0	0	-
Other human rights related issues	1	0	-	0	0	-

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The Company provides complete protection against any unfair practice like retaliation, threat or intimidation of termination/suspension of service, disciplinary action, transfer, demotion, refusal of promotion, discrimination, any type of harassment, biased behaviour to the employees who make disclosure or raises concern under Employee Grievance Redressal Policy/Prevention of Sexual Harassment at Workplace Policy in good faith believing it to be substantially true and does not act maliciously.

Further, grievances under the Policy on Prevention of Sexual Harassment at Workplace are treated with utmost sensitivity and confidentially.

8. Do human rights requirements form part of your business agreements and contracts? (Yes/No).

We follow and abide by all the applicable Acts and laws.

9. Assessments for the year





Particulars	Remarks
Child labor	The minimum selection criteria for recruitment is graduation. The same is screened while hiring every employee.
Forced / involuntary labor	The Company has not received any complaints /forced labour/involuntary labour in the past years.
Sexual harassment	The Company has a Policy on Prevention of Sexual Harassment at Workplace (the "Policy") framed in accordance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 (the "Act") which aims to provide protection against sexual harassment to women at the workplace and prevent and redress complaints of sexual harassment and matters connected therewith and incidental thereto. The Company has also complied provisions mentioned in the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. For grievance pertaining to sexual harassment, employees may also write to posh@iifl.com . The complaints are timely resolved as per the process mentioned in the Policy.
Discrimination at workplace	The Company has in place Equal Opportunity Policy. The Company also has defined Employee Grievance Redressal Policy for timely resolution of grievances relating to employee welfare.
Wages	The Company follows the Minimum Wages Act. Every 6 months there is an updation with respect to the applicable labour laws.
Others – Please specify	NIL

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

Not applicable.

Leadership Indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.

There has been no significant human right grievance/complaints warranting modification of business process. During the year, the Company has amended Policy on Prevention of Sexual Harassment at Workplace and has made it more comprehensive.

2. Details of the scope and coverage of any human rights due-diligence conducted.

An internal as well as an external HR Audit is conducted at the end of each financial year which inter alia includes due diligence pertaining to human rights.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

As a principle, the Company through its Equal Opportunity Policy and Human Rights Policy prohibits any kind of discrimination against any person with disability in any matter related to employment.

Large corporate offices of the Company have ramps for easy movement of differently abled people and wheelchair accessibility, thus making them freely accessible.

4. Details on assessment of value chain partners



5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

No corrective actions taken or underway pertaining to above mentioned parameters was necessitated under review.

PRINCIPLE 6 Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total electricity consumption (A)	7,811.69 Giga Joules	2,851.92 Giga Joules
Total fuel consumption (B)	NA	NA
Energy consumption through other sources (C)	No other source	No other source
Total energy consumption (A+B+C)	7,811.69 Giga Joules	2,851.92 Giga Joules
Energy intensity per rupee of turnover (Total energy consumption/turnover in ₹)	0.00017	0.00007

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

Not applicable.



3. Provide details of the following disclosures related to water, in the following format

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	NIL	NIL
(ii) Groundwater	852.20 KL	133.83 KL
(iii) Third party water (Municipal)	791.75 KL	1,135.12 KL
(iv) Seawater / desalinated water	NIL	NIL
(v) Others (Bottled Water)	307.07 KL	222.98 KL
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	1,951.02 KL	1,491.93 KL
Total volume of water consumption (in kilolitres)	1,951.02 KL	1,491.93 KL
Water intensity per rupee of turnover (Water consumed / turnover)	0.00015	0.00013

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Being a financial services company, we do not consume or discharge huge amounts of water/liquid products. Hence this question does not apply to us.

5. Please provide details of air emissions (other than GHG emissions) by the entity.

Not applicable as we are a financial services company.

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format

Parameter	Unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tons of CO ₂ equivalent	NA	NA
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tons of CO ₂ equivalent	1,523.20 tCO ₂ e	562.46 tCO ₂ e
Total Scope 1 and Scope 2 emissions per ₹ of turnover		0.00012	0.00005

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

Following are the initiatives to reducing Green House Gas emission

- Received LEED Gold Certificate for one of the offices
- Installed solar panels at one of the offices
- Registered office building equipped with rainwater harvesting system and recycled waste water is reused as flush water and for watering plants
- Conducting food waste awareness campaign amongst employees through mailers
- Treatment of e-waste in environment friendly manner
- Focused efforts to drive digitalisation and reduce paper consumption

8. Provide details related to waste management by the entity, in the following format

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total waste generated (in metric tons)		
Plastic waste (A)	NIL	NIL
E-waste (B)	0.96422 Tons	Not available
Bio-medical waste (C)	NA	NA
Construction and demolition waste (D)	NA	NA
Battery waste (E)	NA	NA
Radioactive waste (F)	NA	NA
Other hazardous waste. Please specify, if any. (G)	NA	NA
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	NA	NA
Total (A+B + C + D + E + F + G + H)	0.96422 Tons	Not available
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	-	-
(ii) Re-used	-	-
(iii) Other recovery operations	-	-
Total	-	-
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	The Company has defined procedures in place to dispose off e-waste through authorised e-waste vendors. The Company receives certificate from the vendor for the same.	
(ii) Landfilling		
(iii) Other disposal operations		
Total		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No



9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

As per the nature of our business, office waste such as paper, plastic and e-waste make up the majority of our waste output. Our e-waste comprises of desktop sets, laptops, monitors, printers, scanners and tablets. Our Company has defined procedures in place to dispose off e-waste through authorised e-waste vendors.

Over the last few years, we have been taking conscious efforts to reduce usage of paper across our operations. Accordingly, we have implemented measures such as access based printing, default printing on both sides of the paper across all our offices and branches. We have also been circulating advisories to all our employees to adopt digital/online mediums in order to reduce paper consumption. We have installed paper shredder machines across large offices and also engage with vendors for safe disposal of waste paper. We are sending digital contract notes and client on boarding is 100% digital.

There are no single-use plastics being used across any of our branches and offices.

We use 100% bio degradable plastic garbage bags to collect and dispose off dry and wet wastes.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format.

Not applicable, given that large part of our branches and offices are in commercial buildings.

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year.

Not applicable.

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format.

Based on the nature of its business, the Company complies with applicable environmental norms.

Leadership Indicators

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
From renewable sources		
Total electricity consumption (A)	88.42 GJ	Not available
Total fuel consumption (B)	NA	NA
Energy consumption through other sources (C)	NA	NA
Total energy consumed from renewable sources (A+B+C)	88.42 GJ	Not available
From non-renewable sources		
Total electricity consumption (D)	7,723.27 GJ	Not available
Total fuel consumption (E)	NA	NA
Energy consumption through other sources (F)	NA	NA
Total energy consumed from non-renewable sources (D+E+F)	7,723.27 GJ	Not available

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

2. Provide the following details related to water discharged.

Not applicable.

3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres).

Not applicable.

Being a financial services company, we do not consume or discharge huge amounts of water. Hence this question does not apply to us.

4. Please provide details of total Scope 3 emissions & its intensity, in the following format.

Not applicable.

5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Not applicable.

6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format.

Not applicable.

7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

The Company has a Business Continuity Management Policy duly approved by the Risk Management Committee and the Board of Directors.

The purpose of the Policy is to formalise the business continuity program of the Company and to provide guidelines for developing, implementing, exercising and maintaining specific business continuity plans for the respective departments of the Organisation. More importantly, the Policy seeks to provide for the recovery of critical and important processes in accordance with pre-established timeframes, restoration of the processing site and ultimately return to a permanent operating environment. BCM Policy is aligned with ISO 22301 Business Continuity Management System Standard and applicable SEBI Guidelines.

The company also has a robust Business Continuity Framework consisting of Crisis Management Team, Business Continuity Steering Committee, detailed Business Continuity Plan, Business Continuity Management Charter, IT DR Plan, Business Continuity Management Procedure, Business Impact Analysis, Risk Assessment & Business Continuity Awareness. In terms of the framework, the Business Impact Analysis is required to be updated regularly to determine the adequacy of recovery strategies. The strategies for recovery of critical and important processes are required to be updated in Business Continuity Plan. Periodic High Availability tests & IT DR Drill tests are also carried out.

Further, Technology team reviews the Disaster Recovery Plan of the Company.

8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

Not applicable.

9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

Not applicable.



PRINCIPLE 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. a. **Number of affiliations with trade and industry chambers/ associations.**
The Company was a Member of 3 (three) trade and industry chambers/associations during FY 2022-23.
- b. **List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to**

Sr. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Association of National Exchange Members of India	National
2	Commodity Participants Association of India	National
3	Association of Investment Bankers of India (AIBI)	National

2. **Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities.**

NIL.

Leadership Indicators

1. **Details of public policy positions advocated by the entity**

Sr. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of review by Board (Annually/ Half Yearly/ Quarterly/ Others – please specify)	Web link, if available
1	SEBI Consultation paper on safeguarding clients' funds placed with stock brokers/ Clearing Members (CMs): Upstreaming of clients' funds to Clearing Corporations (CCs)	Emailed to the designated email id for public comments	No	NA	NA
2	Comments on Consultation Paper on Strengthening the Investor Grievance Redressal Mechanism in Indian Securities Market	Emailed to the designated email id for public comments	No	NA	NA
3	Comments on Consultation Paper on Streamlining the timelines followed in Open Offers and Buy-back Tender Offers	Emailed to the designated email id for public comments	No	NA	NA

PRINCIPLE 8 Business should promote inclusive growth and equitable development

Essential Indicators

- Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**
Not applicable
- Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format.**
Not applicable.
- Describe the mechanisms to receive and redress grievances of the community.**
IIFL Securities has a CSR Policy which provides for 3-tier mechanism for raising any concerns or grievances from various stakeholders and addressing the same. The Policy can be accessed on the Company’s website, [here](#).
- Percentage of input material (inputs to total inputs by value) sourced from suppliers**



● Directly sourced from MSMEs/ small producers ● Sourced directly from within the district and neighboring districts

Note: The above input materials are sourced by IIFL Foundation, the implementing agency, while undertaking various CSR Projects on behalf of IIFL Securities Limited.

Leadership Indicators

- Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments.**
Not applicable.
- Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies**

S. No.	State	Aspirational District	Amount Spent (In ₹)
1.	Rajasthan*	Dholpur, Baran, Karauli, Jaisalmer and Sirohi	32,180,000
2.	Jammu & Kashmir**	Kupwara	1,699,030

*Academic training for teachers and students at Government Schools under 'Smart Shala programme' to improve overall academic outcome of students.

**Training in retail sales for youth, to help them pursue livelihood in retail sector.



3. a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalised /vulnerable groups? (Yes/No)

Given the nature of our business, the sourcing needs of the Company are limited. However, the CSR policy of the Company provides for preferential procurement of materials from suppliers identified under vulnerable and marginalised groups, while implementing its projects through IIFL Foundation.

(b) From which marginalised /vulnerable groups do you procure?

Vendor suppliers that fall in the Scheduled Caste and Scheduled Tribe Communities.

(c) What percentage of total procurement (by value) does it constitute?

20% of total procurement of IIFL Securities in relation to CSR activities undertaken through IIFL Foundation.

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge.

Not applicable.

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Not applicable.

6. Details of beneficiaries of CSR Projects

CSR project	No. of persons benefitted from CSR projects	% of beneficiaries from vulnerable and marginalised groups
A project on Education in 5 Aspirational Districts of Rajasthan – Smart Shaala	414,820	90%
School for children from under privileged section of society – Mumbai	200	100%
Retail Sales Associate Training Program for youth	180	100%
Development of Emergency Services at Maharana Bhupal Government Hospital, Udaipur, Rajasthan	60,000	100%
Development of a Bazaar Hub to promote entrepreneurship among women at Gulaabi Gaon, Nashik, Maharashtra.	300	100%
Construction and setup of Science Laboratory at Government Girls Senior Secondary School, Khamnor, Rajsamand district, Rajasthan.	500	90%
Sakhiyon ki Baadi - A programme for building foundational literacy among females from marginalised communities in Rajasthan. (90 Learning centres)	2,700	100%

PRINCIPLE 9 Businesses should engage with and provide value to their consumers/customers in a responsible manner

Essential Indicators
1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

The Company provides enhanced customer experience through digitalisation, self service tools and omni channel.

New channels have been made available to clients to reach us through CHATBOT- Ask IIFL and WhatsApp where clients will get basic information 24x7 on a real time basis. We also have 'IIFL Help' portal which has self explanatory questions and answers, relevant to all aspects of IIFL Securities from account opening to trading. Clients can also "write to us" and can track status.

Queries/complaints received are tracked and redressed in a timely manner. All written communication has a feedback link and also option enabled on interactive voice response (IVR) for service rating. Also, the clients are provided with email id and details of SCORES at our online portal, website, welcome letter etc The escalation matrix is available on our corporate website and mobile app.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about
As a % of total turnover

Environmental and social parameters relevant to the product

Safe and responsible usage

Recycling and/or safe disposal

Not applicable to our products and services.

3. Number of consumer complaints in respect of the following

	FY 2022-23 (Current Financial Year)		Remarks	FY 2021-22 (Previous Financial Year)		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	NIL	NIL	NIL	NIL	NIL	NIL
Advertising	NIL	NIL	NIL	NIL	NIL	NIL
Cyber-security	NIL	NIL	NIL	NIL	NIL	NIL
Delivery of essential services	NIL	NIL	NIL	NIL	NIL	NIL
Restrictive Trade Practices	NIL	NIL	NIL	NIL	NIL	NIL
Unfair Trade Practices	NIL	NIL	NIL	NIL	NIL	NIL
Other *	6	6	Alleging deficiency in service	2	2	Alleging deficiency in service

*These complaints pertain to consumer cases.



4. Details of instances of product recalls on account of safety issues.

Not applicable.

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes, the Company has in place an Information & Cyber Security Policy formulated in line with ISO 27001:2013 Standard and SEBI Guidelines for protecting the organisation's IT Infrastructure and customer data against cyber-attacks, threats and vulnerabilities. The Policy is reviewed annually and approved by Risk Management Committee, as well as, the Board of Directors. The Company has robust Information Security Framework in place to ensure that all the personal data is kept secured using appropriate technical and organisational measures including necessary policies, processes and controls. The said Policy is an internal document and accessible to the employees on intranet.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

Not applicable

Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

Information on products and services of the Company can be accessed at www.iiflsecurities.com.

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

Consumers are regularly informed and educated about safe and responsible usage of service through updation of information on the website of the Company and sending regular emails, SMS and notification in this regard.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

Consumers are informed of any risk of disruption/discontinuation of essential services through, website, emails and SMS.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/ Not Applicable) If yes, provide details in brief.

IIFL Securities follows all guidelines issued by Regulators like Securities Exchange Board of India and Association of Mutual Funds in India (AMFI) for any product solicitation. The Company takes pre-requisite approval from local and other regulatory agencies for any promotional activities. With respect to Mutual Funds, our relationship representatives are AMFI certified to solicit the product that suits the customer. The Company follows basic code of conduct and ethics defined to solicit other wealth management products.

Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

Every written client communication has a feedback link inserted to rate the services of the Company. Also, for verbal queries received, the calls are routed to interactive voice response (IVR) to rate the services at the completion of the call.

5. Provide the following information relating to data breaches.

a. Number of instances of data breaches along-with impact

The Company did not witness any instances of data breaches during the year.

b. Percentage of data breaches involving personally identifiable information of customers

Not applicable.

Corporate Governance Report

The Board of Directors (**"the Board"**) present the Company's Report on Corporate Governance in accordance with the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**"the SEBI Listing Regulations"**) as amended thereof from time to time, for the financial year ended March 31, 2023 and forms a part of the Directors' Report to the Members of IIFL Securities Limited (**"IIFL Securities" or "Our Company"**).

1. IIFL SECURITIES PHILOSOPHY ON CORPORATE GOVERNANCE

The Board recognises the importance of maintaining high standards of corporate governance, which strengthens our Company's ability to deliver consistent financial performance and value to stakeholders. Our Company has a strong legacy of fair, transparent and ethical governance practices and continues to implement progressive actions that promote excellence within our business as well as the marketplace.

We believe good corporate governance is an essential part of a well-managed, successful business enterprise that delivers value to stakeholders.

Our Company's governance framework is based on the following principles:

- Fair and equitable treatment towards all stakeholders to encourage active co-operation
- Timely and accurate disclosure of all material events
- Well diversified board with requisite expertise
- Reinforcing a culture of acting lawfully, ethically and responsibly across the organisation
- Establishing a sound risk management framework and periodically reviewing its effectiveness

Our Company follows a comprehensive set of compliance policies and procedures which assist us in conducting our business in an honest, ethical and principled manner.

We continue to direct our capabilities towards achieving the vision of 'being one of the most respected financial services companies in the capital markets space in India'. The journey to realise this vision requires us to excel constantly across all our business activities. Constant evolution of our governance and disclosure practices is pivotal to ensure creation of long-term, sustainable value for all stakeholders (including minority shareholders).

Corporate Governance Structure



Policies and Procedures

Our well-defined policies and procedures act as guiding stars in our journey of constant evolution. Some of the prominent policies include Code of Conduct for Directors, Senior Management and other employees, Code of Conduct for Prevention of Insider Trading, Whistle-blower policy, Human Rights policy, Anti-corruption policy, among others. We have a well-defined code of practices and procedures for fair disclosure of unpublished price sensitive information, based on the principles of transparency, timeliness, fairness and continuity of information. These policies are reviewed

periodically and are implemented in a timely manner and are available on the website of our Company and can be accessed through the web link at <https://www.indiainfoline.com/securities/corporate-governance.php>.

Recognising that changes in management are inevitable, our Company has established a succession plan to provide continuity in leadership and avoid extended vacancies in key positions. Our Company has a well-defined succession planning policy to assess the leadership needs of the Company and ensure the selection of qualified leaders that

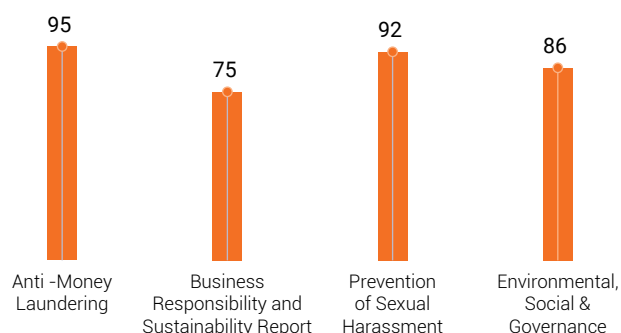


are diverse and a good fit for the organisation's mission and goals. Our Company's succession plan is designed to identify and prepare candidates for senior management positions that become vacant due to superannuation, resignation, death or new business opportunities.

Employee awareness

Our Company believes in implementation of policies in letter and spirit. Towards this, various e-Learning awareness/compliance modules are curated to keep our employees abreast of our Company's policies and to ensure adherence to applicable laws.

Module Name (% age covered)



6,982 manhours of training in FY 2022-23.

2. BOARD OF DIRECTORS

(a) Board Structure

Our Company's Board comprises an optimum combination of Independent and Non-Independent Directors, including Woman Director in accordance with the provisions of the Companies Act, 2013 (the "Act") and SEBI Listing Regulations as amended from time to time. The Board represents an eclectic and diverse mix of Executive and Non-Executive Directors with majority of the Board Members comprising Independent Directors having a tenure of less than 10 years with our Company. The Board's combined traits of professionalism, knowledge and experience provide effective oversight and guidance to our business leaders.

The management of our Company is entrusted in the hands of our Senior management personnel, spearheaded by the Chairman and Managing Director. The Board reviews and

approves strategy and oversees implementation of the same to ensure that the long-term objectives of enhancing stakeholders' value are met. Mr. R. Venkataraman, Chairman and Managing Director of our Company belongs to the Promoter group. None of the other Directors of our Company are related to the Promoter group, or to each other.

Confirmations by the Independent Directors

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

Basis the declaration as submitted by the Independent Directors and due assessment of the veracity undertaken by the Board, in terms of Regulation 25(9) of the SEBI Listing Regulations, the Board opined that the Independent Directors fulfil the conditions of independence specified in Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations and are independent from the management. A formal letter of appointment to Independent Directors as provided in the Act has been issued at the time of appointment and disclosed on website of our Company <https://www.indiaonline.com/securities/corporate-governance.php>.

Directorship of Independent Directors and disclosures

As per Regulation 17A of the SEBI Listing Regulations, Independent Directors of our Company do not serve as Independent Director in more than seven listed companies. Further, the Managing Director and the Whole-Time Director of the Company does not serve as an Independent Director in any other listed entities. None of the Independent Directors of our Company have resigned before the expiry of their tenure. Hence, disclosure of detailed reasons for their resignation is not applicable.

Directors and Officers Insurance

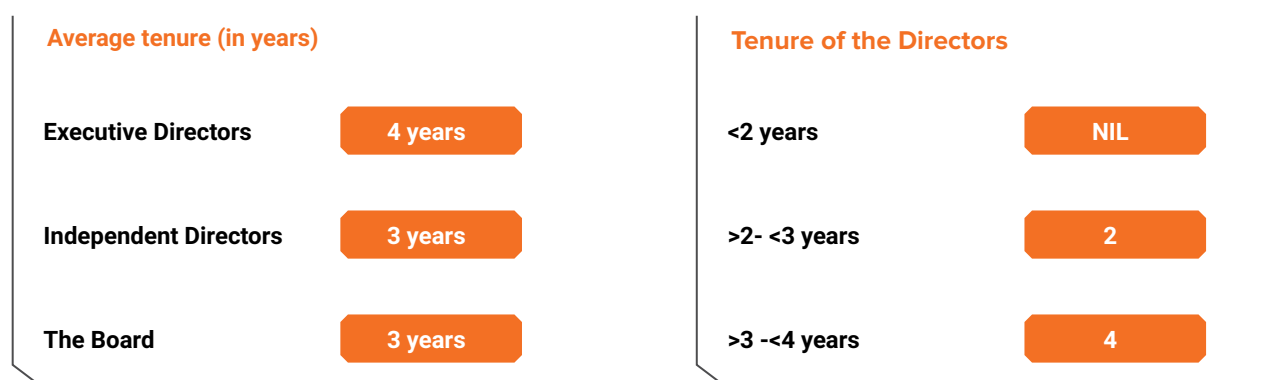
Our Company has obtained Directors and Officers Liability insurance ('D & O insurance') for all its Directors and Officers.

Composition of the Board and category of the Directors as on March 31, 2023

As on March 31, 2023, the Board comprised of 6 Directors, 4 of which are Non-Executive Independent Directors (including one Independent Woman Director) and 2 are Executive Directors (including one Promoter Director). Details of the same are provided below.

Category	Name of Director	No. of Director(s)	% of total no. of Directors
Executive Chairman & Managing Director (Promoter)	Mr. R. Venkataraman	1	16.67
Executive Director	Mr. Narendra Deshmal Jain	1	16.67
Non-Executive Independent Directors	Mr. Anand Shailesh Bathiya	4	66.66
	Mr. Shamik Das Sharma		
	Ms. Rekha Gopal Warriar		
	Mr. Viswanathan Krishnan		
Total No. of Directors		6	100.00

Tenure analysis of the Board as on March 31, 2023



(b) Directorship/ Committee Membership(s) of Directors and their core skills/expertise/competencies

The Board evaluates its composition to ensure that it has the appropriate mix of skills, experience, independence and knowledge to ensure their continued effectiveness. The Board members' background when combined encompasses a bouquet of experience and knowledge. The Directors have demonstrated experience and ability that is relevant to the Board's oversight role with respect to our Company's core business and affairs.

In terms of SEBI Listing Regulations, the following diversified and comprehensive set of skills, expertise and competencies have been identified by the Board of Directors as required in the context of our Company's business and sector:

- Sector knowledge
- Accounting and finance
- Corporate Governance and Compliance
- Marketing experience

- Leadership and strategy planning
- Information Technology
- Stakeholders relationship
- Risk management
- Environment, Social and Governance (ESG)


While all the Board members possess the skills identified, their area of core expertise is given in their respective profiles below.

Profile of Directors

Brief profile of Directors of our Company including their category, shareholding in the Company, number of other Directorships including name of listed entities where he / she is a director alongwith the category of their directorships, committee positions held by them in other companies as a Member or Chairperson, area of expertise and other details are given below:



	<p>Shareholding* 11,184,432 equity shares</p> <p>Other Directorship(s)** 2</p> <p>Directorship in other listed company(ies) and category of Directorship#</p> <ul style="list-style-type: none"> IIFL Finance Limited: Managing Director 360 One Wam Limited (Formerly known as IIFL Wealth Management Limited): Non-Executive Director IIFL Home Finance Limited: Non-Executive Director <p>Committee membership(s) / Chairmanship(s) in other company(ies)## 2 (including 1 as Chairman)</p>	<p>Technical skills/experience/competencies</p> <ul style="list-style-type: none"> Sector knowledge Accounting and finance Corporate Governance and Compliance Marketing experience Leadership and strategy planning Information Technology Stakeholders relationship Risk management Environment, Social and Governance (ESG)
	<p>Shareholding* 105,000 equity shares</p> <p>Other Directorship(s)** 3</p> <p>Directorship in other listed company(ies) and category of Directorship# Nil</p> <p>Committee membership(s) / Chairmanship(s) in other company(ies)## Nil</p>	<p>Technical skills/experience/competencies</p> <ul style="list-style-type: none"> Sector knowledge Accounting and finance Marketing experience Leadership and strategy planning Information Technology Stakeholders relationship Risk management
	<p>Shareholding* Nil</p> <p>Other Directorship(s)** 1</p> <p>Directorship in other listed company(ies) and category of Directorship#</p> <ul style="list-style-type: none"> Cineline India Limited - Non-Executive Independent Director <p>Committee membership(s) / chairmanship(s) in other company(ies)## 2 (as Chairman)</p>	<p>Technical skills/experience/competencies</p> <ul style="list-style-type: none"> Sector knowledge Accounting and finance Corporate Governance and Compliance Leadership and strategy planning Stakeholders relationship Risk management Environment, Social and Governance (ESG) Information Technology
	<p>Shareholding* Nil</p> <p>Other Directorship(s)** Nil</p> <p>Directorship in other listed company(ies) and category of Directorship# Nil</p> <p>Committee membership(s) / Chairmanship(s) in other company(ies)## Nil</p>	<p>Technical skills/experience/competencies</p> <ul style="list-style-type: none"> Sector knowledge Information Technology Risk management Leadership and strategy planning Stakeholders relationship Accounting and finance
	<p>Shareholding* Nil</p> <p>Other Directorship(s)** 3</p> <p>Directorship(s) in other listed company(ies) and category of Directorship#</p> <ul style="list-style-type: none"> Creditaccess Grameen Limited: Non-Executive Independent Director 360 One Prime Limited (Formerly known as IIFL Wealth Prime Limited): Non Executive Independent Director <p>Committee membership(s) / Chairmanship(s) in other company(ies)## 2 (including 1 as Chairman)</p>	<p>Technical skills/experience/competencies</p> <ul style="list-style-type: none"> Sector knowledge Accounting and finance Corporate Governance and Compliance Leadership and strategy planning Stakeholders relationship Risk management Environment, Social and Governance (ESG)

 Mr. Viswanathan Krishnan Non-Executive Independent Director (DIN: 09026252)	Shareholding*	Technical skills/experience/competencies
	Nil	• Sector knowledge
	Other Directorship(s)**	• Accounting and finance
	Nil	• Corporate Governance and Compliance
	Directorship in other listed company(ies) and category of Directorship#	• Leadership and strategy planning
Nil	• Information Technology	
Committee membership(s) / Chairmanship(s) in other company(ies)**	• Stakeholders relationship	
Nil	• Risk management	
	• Environment, Social and Governance (ESG)	

* As on March 31, 2023

** Excludes Directorships held in private limited companies, foreign companies, high value debt listed entities and companies under Section 8 of the Act

It includes equity and debt listed entities

In accordance with Regulation 26 of the SEBI Listing Regulations

In accordance with Regulation 26 of the SEBI Listing Regulations, none of the Directors on the Board of our Company is a member in more than 10 committees or acts as Chairperson of more than 5 committees across all listed entities in which he/she is a Director. The number of Directorships, committee membership(s)/Chairmanship(s) of all Directors is within respective limits prescribed under the Act and SEBI Listing Regulations.

Board meetings

The Board meets at regular intervals to discuss and decide on business strategies/policies and review the financial performance of our Company and its subsidiaries, apart from other statutory matters as required to be deliberated and approved by the Board. In case of business exigencies, the Board's approval is taken through circular resolutions as permitted by law. The circular resolutions are noted and confirmed at the subsequent Board meeting.

The notice and detailed agenda along with the relevant notes and other material information are sent in advance to each Director and in exceptional cases tabled at the meeting with the approval of the Board. This ensures timely and informed decisions by the Board. Video-conferencing facility as per procedure mandated under the Act, is also provided to facilitate the Directors to participate at the meetings conveniently. The Board agenda includes an Action Taken Report comprising of actions arising from the Board meetings and status/updates thereof.

During the year under review, the Board of Directors met 5 (Five) times All meetings were held within a time span of less than 120 days. Our Company follows the relevant Secretarial Standards in relation to Board meetings.

Details of Board meetings and attendance of the Directors in the Board meeting and at the previous Annual General Meeting ("AGM") is mentioned herein below

Sr. No.	Name of the Director	27 th AGM, July 12, 2022	Board meetings/AGM and its attendance					Held during the tenure	Attended	% of attendance of Directors
			Board meetings/AGM dates							
			1 April 26, 2022	2 July 28, 2022	3 October 20, 2022	4 December 06, 2022	5 January 23, 2023			
1	Mr. R. Venkataraman	✓	✓	✓	✓	✓	✓	5	5	100
2	Mr. Narendra Deshmajain	✓	✓	✓	✓	✓	✓	5	5	100
3	Mr. Anand Shailesh Bathiya	✓	✓	✓	✓	✓	✓	5	5	100
4	Mr. Shamik Das Sharma	✓	✓	✓	✓	✓	✓	5	5	100
5	Ms. Rekha Gopal Warriar	✓	✓	✓	✓	✓	✓	5	5	100
6	Mr. Viswanathan Krishnan	✓	✓	✓	✓	✓	✓	5	5	100
	% Attendance of Board meetings/AGM	100	100	100	100	100	100			

During FY 2022-23, the information as set out in Regulation 17 read with Part A of Schedule II of the SEBI Listing Regulations, was placed before the Board/Board Committees, from time to time, for their consideration, to the extent applicable, relevant and deemed appropriate by the management. This information was made available as a part of the agenda papers in advance of the respective meetings or by way of presentation and discussion or in exceptional cases, tabled at the meetings.



Key stakeholder matters considered by the Board during the year included

- Scheme of Arrangement between IIFL Securities Limited ("Demerged Company") and 5paisa Capital Limited ("Resulting Company") and their respective shareholders and creditors under Section 230 – 232 and other applicable provisions of the Companies Act, 2013
- Enterprise Risk Management Framework
- Compliance of NSE Prime norms, a framework that prescribes higher standard of corporate governance for listed companies, to the extent feasible

(c) Familiarisation programs

Pursuant to Regulations 25 (7) and 46 of SEBI Listing Regulations, our Company has a familiarisation program for its Independent Directors. The Board members are familiarised with their roles, rights and responsibilities in the Company as well as with the nature of industry and business model of the Company at the time of their appointment as a Director. Presentations are made during the Board/Committee meetings periodically to the Directors on various matters, *inter-alia*, covering our Company's and its major subsidiaries, businesses and operations, industry and regulatory updates, strategies, finance, risk management framework, role, rights, responsibilities of the Independent Directors under various statutes and other relevant matters. Details of the program for familiarisation of Independent Directors are available on the website and can be accessed on <https://www.indiaonline.com/securities/corporate-governance.php>.

3. COMMITTEES OF THE BOARD

The Board of Directors has constituted Board Committees in accordance with the provisions of the Act and SEBI Listing Regulations to deal with specific areas and activities which concern our Company and require a closer review. The Board Committees are formed with approval of the Board and function within their respective terms of reference. These Committees play a pivotal role in the overall management of day-to-day affairs and governance of our Company. The Board committees meet at regular intervals and take necessary steps to perform their duties entrusted by the Board.

The Chairman of the Board/respective Committees, in consultation with the Company Secretary determine the schedule for the Committee meetings. The minutes of all the Committee meetings are placed at its subsequent meeting for confirmation and also before the Board for its noting. The recommendations of the Committees are placed before the Board for approval, wherever required.

The details with respect to the composition, terms of reference, meetings and attendance of various Committees, are given below.

A. AUDIT COMMITTEE

Our Company has a duly constituted Audit Committee of the Board of Directors ("**the Audit Committee**") and as on March 31, 2023, majority of the members of Audit Committee were Independent Directors. The Committee's composition meets with the requirements of Section 177 of the Act and SEBI Listing Regulations. The Committee's function is to oversee the accounting and financial reporting process of our Company, audit of the financial statements, the appointment, independence and performance of the Statutory Auditors and the Internal Auditors. Separate meetings of Audit Committee are also conducted for discussing issues others than financials.

Composition of Audit Committee

The Audit Committee comprised of the following members as on March 31, 2023

Sr. No.	Name of the Member	Category	Position	% of Independence
1	Mr. Anand Shailesh Bathiya	Chairman	Independent Director	
2	Mr. Narendra Deshmal Jain	Member	Whole-Time Director	
3	Mr. Viswanathan Krishnan	Member	Independent Director	75%
4	Ms. Rekha Gopal Warriar	Member	Independent Director	

All members of the Audit Committee are financially literate and bring in expertise in the fields of finance, taxation and risk.

Our Company had 7 Board Level Committees as on March 31, 2023



Meetings of Audit Committee and attendance thereat

The Audit Committee met 8 (Eight) times during FY 2022-23. The gap between any two meetings was not more than 120 days, ensuring compliance with the requirement of Regulation 18 of the SEBI Listing Regulations and the Act.

The attendance of respective members at the Audit Committee meetings held during FY 2022-23 are as under

Audit Committee meetings and its attendance												
Sr. No.	Name of the Director	Audit Committee meetings dates								Held during the tenure	Attended	% of attendance of Directors
		1 April 26, 2022	2 July 19, 2022	3 July 28, 2022	4 October 19, 2022	5 October 20, 2022	6 December 06, 2022	7 January 20, 2022	8 January 23, 2023			
1	Mr. Anand Shailesh Bathiya	√	√	√	√	√	√	√	√	8	8	100
2	Mr. Narendra Deshmal Jain	√	√	√	√	√	√	√	√	8	8	100
3	Ms. Rekha Gopal Warriar	√	√	√	√	√	√	√	√	8	8	100
4	Mr. Viswanathan Krishnan	√	√	√	√	√	√	√	√	8	8	100
	% Attendance	100	100	100	100	100	100	100	100			

The required quorum was present at all meetings. The Audit Committee meetings are attended by the Chief Financial Officer of our Company and partners/representatives of Statutory Auditors and Internal Auditors. The Company Secretary acts as the Secretary of the Audit Committee. The Chairman of the Audit Committee was present at the last Annual General Meeting of the Company held on July 12, 2022.

The broad terms of reference of the Audit Committee are as under

1. Oversight of our Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
2. Recommendation for appointment, re-appointment and replacement, remuneration and terms of appointment of Auditors of our Company;
3. Approval of payment to Statutory Auditors for any other services they have rendered to the Company;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Directors' responsibility statement to be provided in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act 2013;
 - b. Changes, if any, in accounting policies and practices and reasons for the same;
 - c. Major accounting entries involving estimates based on the exercise of judgment by the management;
 - d. Significant adjustments made in the financial statements arising out of audit findings;
 - e. Compliance with listing and other legal requirements relating to financial statements;
5. Reviewing, the quarterly financial statements with the management before submission to the Board for approval;
6. Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of the audit process;
8. Scrutiny of inter-corporate loans and investments;
9. Valuation of undertakings or assets of our Company, wherever necessary;
10. Evaluation of internal financial controls and risk management systems;
11. Monitoring the end use of funds raised through public offers and related matters, if any;
12. Reviewing, with the management, performance of Statutory and Internal Auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- f. Disclosure of any related party transactions; and
- g. Qualifications/ modified opinions in the draft audit report;



14. Discussing with internal auditors of any significant findings and following up there on;
15. Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
16. Discussing with Statutory Auditors before the commencement of the audit, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. The Audit Committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the Internal and Statutory Auditors and the management of our Company;
18. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
19. To establish and review the functioning of the whistle blower mechanism;
20. Approval of appointment of the Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
21. Related Party Transactions
Granting approval / omnibus approval for transaction(s) with related parties, subject to conditions as may be prescribed under the Policy on Related Party Transaction of the Company or any other applicable laws, regulations, guidelines or any subsequent modification in the transactions thereof;
22. Review of
 - a. Management Discussion and Analysis of financial condition and results of operations;
 - b. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
 - c. Management letters/letters of internal control weaknesses issued by the Statutory Auditors;
 - d. Internal audit reports relating to internal control weaknesses;
 - e. Appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee;
 - f. Statement of deviations including;
 - i. Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the Listing Regulations;
 - ii. Annual statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the SEBI Listing Regulations;
 - g. The utilisation of loans and/or advances from/investment by the holding company in the subsidiary > ₹ 1 billion or 10% of asset size of the subsidiary, whichever is lower, including existing loans / advances / investments;
23. To investigate into any matter in relation to the terms of reference of the Audit Committee or referred to it by the Board and for this purpose shall have power to obtain professional advice from external sources and have full access to information contained in the records of our Company;
24. Carrying out any other terms of reference as may be decided by the Board or specified/ provided under the Companies Act 2013 or the SEBI Listing Regulations or by any other regulatory authority;

B. NOMINATION AND REMUNERATION COMMITTEE

Pursuant to provisions of Section 178 of the Act read with Regulation 19 of the SEBI Listing Regulations, Nomination and Remuneration Committee ("**NRC**") of the Board is duly constituted with all members being Independent Directors.

NRC is responsible for evaluating the balance of skills, experience, independence, diversity and knowledge on the Board and for drawing up selection criteria, ongoing succession planning and recommending appointment of Directors, Key Managerial Personnel and Senior Management Personnel. Further, the Committee is also responsible for formulating policies with respect to remuneration, performance evaluation, Board diversity, etc. in line with the Act and the SEBI Listing Regulations.

Composition of Nomination and Remuneration Committee

The Nomination and Remuneration Committee comprised of the following members as on March 31, 2023

Sr. No.	Name of the Member	Category	Position	% of Independence
1	Ms. Rekha Gopal Warriar	Chairperson	Independent Director	100%
2	Mr. Anand Shailesh Bathiya	Member	Independent Director	
3	Mr. Shamik Das Sharma	Member	Independent Director	
4	Mr. Viswanathan Krishnan	Member	Independent Director	

The Company Secretary of the Company acts as the Secretary of the Committee.

Meetings of Nomination and Remuneration Committee and attendance thereat

The NRC met 3 (three) times during the FY 2022-23, The attendance of respective members at the NRC meetings held during FY 2022-23 are as under

Nomination and Remuneration Committee meetings and its attendance							
Sr. No.	Name of the Director	Nomination and Remuneration Committee meetings dates			Held during the tenure	Attended	% of attendance of Directors
		1	2	3			
		April 22, 2022	July 19, 2022	January 19, 2023			
1	Ms. Rekha Gopal Warriar	√	√	√	3	3	100
2	Mr. Anand Shailesh Bathiya	√	√	√	3	3	100
3	Mr. Shamik Das Sharma	×	√	√	3	2	66.67
4	Mr. Viswanathan Krishnan*	√	√	√	3	3	100
	% Attendance	75	100	100			

* Mr. Viswanathan Krishnan was appointed as member of the NRC Committee w.e.f. April 21, 2022.

The requisite quorum was present at all the meetings. The Chairperson of NRC was present at the last Annual General Meeting of the Company held on July 12, 2022. The Company's Nomination and Remuneration Policy for Directors, Key Managerial Personnel and other employees was revised during the year under review and is provided in **Annexure 2** to the Directors' Report and is also available on the website of our Company.

The broad terms of reference of Nomination and Remuneration Committee are as under

1. Formulate criteria and manner for effective evaluation of performance of Board, its committees and Individual Directors and review its implementation and compliance;
2. Formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees and while formulating this policy ensure that;
 - i. Level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run our Company successfully;
 - ii. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
 - iii. Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of our Company and its goals;

3. Identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, recommend to the Board their appointment and removal;
4. Suggest whether to extend or continue the term of appointment of an Independent Director, on the basis of the report of performance evaluation of Independent Directors;
5. Devise a policy on diversity of the Board of Directors;
6. Recommend to the Board all remuneration, in whatever form, payable to the Senior Management;
7. Administer our Company's employee stock option schemes;

Performance evaluation

Pursuant to the requirements of the Act and the SEBI Listing Regulations, the NRC has adopted a Performance Evaluation Policy, which specifies the criteria for effective evaluation of Board, its committees and individual Directors.

The Independent Directors' Committee of our Company met on February 28, 2023, *inter alia*, to review the performance of Non-Independent Directors, the Board of Directors as a whole and the Chairman of the Company. The performance evaluation of the Committees and the Independent Directors was carried out by the entire Board excluding the Director being evaluated. The Board was of the view that all Independent Directors possess the requisite knowledge, expertise and experience in their respective areas and a good understanding of our Company's business and the industry in which it operates.

The performance evaluation criteria for Independent Directors are also provided in the Performance Evaluation Policy as adopted by the NRC and the same has been disclosed in the Directors' Report.



Remuneration of Directors

A. Remuneration to Non-Executive Independent Directors

During the year under review, the Non-Executive Independent Directors were paid ₹ 30,000/- towards sitting fees for attending every Board meeting, Audit Committee meeting and Independent Directors' Committee meeting and were paid ₹ 15,000/- towards attending every other Committee meeting plus the reimbursement directly related to the actual travel and out-of-pocket expenses, if any, incurred by them. Further, Commission of ₹ 1,000,000/- was paid on pro rata basis. Our Company has not granted any employee stock options to the Independent Directors. None of the Non-Executive Independent Directors have any other material pecuniary relationship or transaction with our Company, its Promoters, or Directors, or Senior Management which, in their judgment, would affect their independence.

Details of remuneration paid to Non-Executive Independent Directors are provided below

(Amount in ₹)

Name of the Director	Commission	Sitting Fees	Total
Mr. Anand Shailesh Bathiya	1,000,000	585,000	1,585,000
Mr. Shamik Das Sharma	1,000,000	315,000	1,315,000
Mr. Viswanathan Krishnan	1,000,000	600,000	1,600,000
Ms. Rekha Gopal Warriar	1,000,000	555,000	1,555,000

Notes:

- Criteria for making payment to Non-Executive Directors as specified in Nomination and Remuneration Policy of our Company are available on the website of the Company and can be accessed through the web link at https://www.indiaonline.com/securities/reports/IIFL_Securities_Nomination_and_Remuneration_Policy.pdf
- Pursuant to the sections 178, 197, 198 and any other applicable provisions of the Act [including any statutory modification(s) or re-enactment(s) thereof] and SEBI Listing Regulations, and in terms of the approval of the Board vide resolution dated May 15, 2020 and the approval of the shareholders dated June 30, 2020, our Company has created a provision for payment of commission to Independent Directors for FY 2022-23 of ₹ 1 million, considering their contribution to the Board/Committees, attendance at the meeting, among other parameters.

B. Remuneration to Executive Directors

The appointment and remuneration of Executive Director i.e. Chairman and Managing Director and Whole-Time Director is governed by the recommendation of the NRC, resolutions passed by the Board and shareholders of our Company.

Details of remuneration paid to Executive Directors are provided below

Particulars	Mr. R. Venkataraman Chairman and Managing Director	Mr. Narendra Deshmal Jain Whole-Time Director
Term of Appointment	For a period of 5 years from May 15, 2019	For a period of 5 years from May 13, 2019
Salary and Allowances (₹)	40,865,340	10,221,479
Bonus (₹)	12,509,763	2,000,000
Perquisites (₹)	39,600	39,600
Minimum remuneration	Mr. R. Venkataraman shall be entitled to minimum remuneration comprising of salary, perquisites and benefits as per the applicable provisions of Schedule V of the Companies Act, 2013 in the event of inadequacy/absence of profits.	Mr. Narendra Jain shall be entitled to minimum remuneration comprising of salary, perquisites and benefits as per the applicable provisions of Schedule V of the Companies Act, 2013 in the event of inadequacy/absence of profits.
Notice Period and Severance Fees	Three months' notice	As per Company's Policy
Stock Option (Exercised and allotted in no.)	-	22,500

Note:

- This amount does not include amount in respect of gratuity and leave entitlement as the same is not determinable.
- Remuneration is within limits recommended by NRC and approved by Board for their tenure and approved by the members of the Company vide special resolution passed on May 17, 2019.

C. STAKEHOLDERS' RELATIONSHIP COMMITTEE

Pursuant to provisions of Section 178(5) of the Act and Regulation 20 of the SEBI Listing Regulations, Stakeholders' Relationship Committee ("SRC") has been constituted by the Board to oversee matters relating to the interest of the stakeholders, ensuring expeditious share transfer process and evaluating performance and service standards of the Registrar and Share Transfer Agent of our Company.

Composition of Stakeholders' Relationship Committee

The SRC comprised of the following members as on March 31, 2023:

Sr. No.	Name of the Member	Category	Position	% of Independence
1	Ms. Rekha Gopal Warriar	Chairperson	Independent Director	
2	Mr. Narendra Deshmal Jain	Member	Whole-Time Director	75%
3	Mr. Shamik Das Sharma	Member	Independent Director	
4	Mr. Viswanathan Krishnan	Member	Independent Director	

Ms. Meghal Shah is the Compliance Officer of our Company as per SEBI Listing Regulations and also acts as the Company Secretary to the Committee.

Meetings of Stakeholders' Relationship Committee and attendance thereat

During the year under review, SRC met once. The requisite quorum was present at the meeting. The attendance of respective members at the SRC meeting held during FY 2022-23 are as under

Stakeholders' Relationship Committee meetings and its attendance						
Sr. No.	Name of the Director	Stakeholders' Relationship Committee meetings date		Held during the tenure	Attended	% of attendance of Directors
		1	2			
		September 06, 2022				
1	Ms. Rekha Gopal Warriar	✓		1	1	100
2	Mr. Narendra Deshmal Jain	✓		1	1	100
3	Mr. Shamik Das Sharma	✓		1	1	100
4	Mr. Viswanathan Krishnan*	✓		1	1	100
	% Attendance		100			

* Mr. Viswanathan Krishnan was appointed as member of the SRC Committee w.e.f. April 26, 2022.

The Chairperson of SRC was present at the last Annual General Meeting of the Company held on July 12, 2022.

investors received directly or through SEBI, Stock Exchanges, Registrar of Companies, etc.

The broad terms of reference of Stakeholders' Relationship Committee are as under

- Resolving grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc;
- Review of measures taken for effective exercise of voting rights by shareholders;
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent;
- Review the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of our Company;

Details of the number of complaints received from shareholders and attended during FY 2022-23 are given below

Complaints pending as on April 1, 2022	0
Complaints received during the year	9
Complaints resolved during the year	9
Complaints pending as on March 31, 2023	0

The above table includes complaints received by our Company from SEBI SCORES and through stock exchanges where the securities of our Company are listed.

Pursuant to Regulation 34(3) and Schedule V Part F of the SEBI Listing Regulations, there are no shares lying in the suspense account as on March 31, 2023. Further, no pledge has been created over the equity shares held by the promoters.

Details of shareholders' complaints

Our Company and its Registrar & Share Transfer Agent, Link Intime India Private Limited, attend to all grievances of the

D. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Pursuant to provisions of Section 135(1) of the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Corporate Social Responsibility ("CSR") Committee has been constituted for overseeing the implementation of the CSR Policy and execution of the CSR activities of our Company.



Composition of Corporate Social Responsibility Committee

The CSR Committee comprised of the following members as on March 31, 2023

Sr. No.	Name of the Member	Category	Position	% of Independence
1	Mr. Anand Shailesh Bathiya	Chairman	Independent Director	75%
2	Mr. Narendra Deshmal Jain	Member	Whole-Time Director	
3	Mr. Viswanathan Krishnan	Member	Independent Director	
4	Ms. Rekha Gopal Warriar	Member	Independent Director	

Meetings of Corporate Social Responsibility Committee and attendance thereat

During the year under review, the CSR Committee met twice. The necessary quorum was present for all the meetings of CSR Committee. The attendance of respective members at the CSR meetings held during FY 2022-23 are as under

Corporate Social Responsibility Committee meetings and its attendance						
Sr. No.	Name of the Director	Corporate Social Responsibility Committee meetings dates		Held during the tenure	Attended	% of attendance of Directors
		1	2			
		April 22, 2022	March 24, 2023			
1	Mr. Anand Shailesh Bathiya	×	✓	2	1	50
2	Mr. Narendra Deshmal Jain	✓	✓	2	2	100
3	Mr. Viswanathan Krishnan	✓	✓	2	2	100
4	Ms. Rekha Gopal Warriar*	NA	✓	1	1	100
% Attendance		66.67	100			

* Ms. Rekha Gopal Warriar was appointed as member of the CSR Committee w.e.f. April 26, 2022.

The broad terms of reference of the Corporate Social Responsibility Committee are as under

- Formulating and recommending to the Board, the CSR Policy which shall indicate the activities to be undertaken by us in areas or subject, specified in Schedule VII;
- Recommending the amount of the expenditure to be incurred on CSR activities;
- Instituting a transparent monitoring mechanism for implementation of the CSR activities to be undertaken by us;
- Such other functions as may be entrusted to it by the Board, from time to time;

E. RISK MANAGEMENT COMMITTEE

In compliance with the provisions of Regulation 21 of the SEBI Listing Regulations and other applicable provisions, if any, the Board of Directors has constituted the Risk

Management Committee ("RMC") to monitor and review the Enterprise Risk Management ("ERM") Framework and Policy of our Company and the same is periodically reviewed by the Board of Directors.

Composition of Risk Management Committee

The Risk Management Committee comprised of the following members as on March 31, 2023

Sr. No.	Name of the Member	Category	Position	% of Independence
1	Mr. Viswanathan Krishnan	Chairman	Independent Director	75%
2	Mr. Narendra Deshmal Jain	Member	Whole-Time Director	
3	Mr. Shamik Das Sharma	Member	Independent Director	
4	Mr. Anand Shailesh Bathiya	Member	Independent Director	

The Company Secretary of our Company acts as Secretary to the RMC.

Meetings of Risk Management Committee and attendance thereat

During the year under review, the RMC met twice. The necessary quorum was present for all the meetings of RMC. The gap between either of the two meetings was not more than 180 days, ensuring compliance with the requirement of Regulation 21 of the SEBI Listing Regulations.

The attendance of respective members at the RMC meetings held during FY 2022-23 are as under

Risk Management Committee meetings and its attendance						
Sr. No.	Name of the Director	Risk Management Committee meeting dates		Held during the tenure	Attended	% of attendance of Directors
		1	2			
		September 06, 2022	March 01, 2023			
1	Mr. Viswanathan Krishnan	✓	✓	2	2	100
2	Mr. Narendra Deshmal Jain	✓	✓	2	2	100
3	Mr. Shamik Das Sharma	✓	✓	2	2	100
4	Mr. Anand Shailesh Bathiya	✓	×	2	1	50
% Attendance		100	75			

The broad terms of reference of the Risk Management committee are as under

1. To formulate a detailed risk management policy which shall include;
 - (a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the committee;
 - (b) Measures for risk mitigation including systems and processes for internal control of identified risks;
 - (c) Business continuity plan;
2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of our Company;
3. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
4. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

5. To keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken;
6. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee;

The Risk Management Committee shall have powers to seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary.

F. FINANCE COMMITTEE

The Board of Directors has constituted the Finance Committee ("FC") to look into ongoing finance related requirements of our Company in ordinary course of business.

Composition of Finance Committee

The Finance Committee ("FC") comprised of the following members as on March 31, 2023

Sr. No.	Name of the Director	Position
1	Mr. R. Venkataraman	Managing Director
2	Mr. Narendra Deshmal Jain	Whole-Time Director
3	Mr. Ronak Gandhi	Chief Financial Officer

Meetings of Finance Committee and attendance thereat

During the year under review, FC met 10 (Ten) times. The requisite quorum was present at the meetings.

The attendance of respective members at the FC meetings held during FY 2022-23 are as under

Finance Committee meetings and its attendance														
Sr. No.	Name of the Director	Finance Committee meeting dates										Held during the tenure	Attended	% of attendance of members
		1	2	3	4	5	6	7	8	9	10			
		April 19, 2022	June 03, 2022	June 30, 2022	July 29, 2022	August 11, 2022	September 23, 2022	October 14, 2022	November 09, 2022	January 31, 2023	March 09, 2023			
1	Mr. R. Venkataraman	✓	✓	×	✓	×	✓	✓	×	✓	✓	10	7	70
2	Mr. Narendra Deshmal Jain	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	10	10	100
3	Mr. Ronak Gandhi	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	10	10	100
	% of Attendance	100	100	66.67	100	66.67	100	100	66.67	100	100			

The broad terms of reference of the Finance Committee are as under

1. To borrow funds for and on behalf of our Company up to the maximum amount as determined by the Board of Directors of our Company from time to time;
2. To invest funds of our Company from time to time in equity shares, preference shares, debt securities, bonds, whether listed or unlisted, secured or unsecured, fixed deposits, units of mutual fund / units of alternative investment fund, security receipts, securities, etc. taking into consideration all investment parameters up to the maximum amount as determined by the Board of Directors of the Company from time to time and also to enter into any agreements including but not limited to enter into Share Purchase Agreement, Share Subscription Agreement, Shareholders Agreement etc. as may be required to give effect to such transaction;
3. To create pledge/ hypothecate/ mortgage and/ or charge on both movable and immovable assets not exceeding the overall limit as approved by the Board from time to time;
4. To allot securities of our Company including equity shares, preference shares, debt securities, bonds, etc. from time to time;
5. To borrow funds for meeting the short/ long term requirements of funds of our Company by issuing Commercial Paper including redemption and buyback of Commercial Paper and also to list the same as per the SEBI Regulations, Term Loan from bank, etc.;



6. To avail intraday facilities from Banks/Financial Institution upto ₹ 25 billion (Rupees Twenty Five Billion);
7. To offer assurances on behalf of subsidiaries, in the form of guarantee, security, undertakings, letters (including without limitation, letter of comfort), deeds, declarations or any other instruments in connection with loan availed by them from Banks, Financial Institutions, Non-Banking Financial Companies, other body corporates, etc. upto such limit, if applicable, as delegated/decided by the Board from time to time;
8. Powers relating to issuance and allotment of Debentures:
 - a. To determine terms and conditions and number of debentures to be issued;
 - b. Determining timing, nature, type, pricing and such other terms and conditions of the issue including coupon rate, minimum subscription, retention of over subscription, if any and early redemption thereof;
 - c. To approve and make changes to the Draft Prospectus, to approve the Final Prospectus, including any corrigendum, amendments supplements thereto, and the issue thereof;
 - d. To approve all other matters relating to the issue and do all such acts, deeds, matters and things including execution of all such deeds, documents, instruments, applications and writings as it may, at its discretion, deem necessary and desirable for such purpose including without limitation the utilisation of the issue proceeds, modify or alter any of the terms and conditions, including size of the issue, as it may deem expedient, extension of issue and/or early closure of the issue;
9. Opening and closing current/cash credit/ overdraft/ fixed deposit or other accounts including depository accounts with any scheduled bank and/or depository participant, authorise the officials of our Company to operate the same and to vary the existing authorisation in respect of these accounts;
10. Grant of authority to avail online payment gateway facility;
11. Issue of Power of Attorneys/Delegation Letter to the Officials of our Company;
12. Execute, sign, certify any agreement, MOU, undertaking, document, deed and other writings in relation to the above;
13. Any other incidental or other matter in the ordinary course of business, including delegation of powers in relation to the above and/or may be delegated by the Board, from time to time;

G. ESG COMMITTEE

During FY 2022-23, the Board of Directors constituted an ESG Committee to provide guidance on the ESG initiatives of our Company.

Composition of ESG Committee

The ESG Committee comprised of the following members as on March 31, 2023

Sr. No.	Name of the member	Category	% of Independence
1	Mr. Anand Shailesh Bathiya	Chairman	
2	Ms. Meghal Shah	Member	50%
3	Mr. Ronak Gandhi	Member	
4	Mr. Viswanathan Krishnan	Member	

Meetings of ESG Committee and attendance thereat

During the year under review, ESG Committee met twice. The requisite quorum was present at the meetings. The attendance of respective members at the ESG Committee meetings held during FY 2022-23 are as under

ESG Committee meetings and its attendance						
Sr. No.	Name of the Director	ESG Committee meeting dates		Held during the tenure	Attended	% of attendance of members
		1	2			
		November 17, 2022	January 19, 2023			
1	Mr. Anand Shailesh Bathiya	✓	✓	2	2	100
2	Mr. Ronak Gandhi	✓	✓	2	2	100
3	Ms. Meghal Shah	✓	✓	2	2	100
4	Ms. Sheetal Agarwal*	✓	✓	2	2	100
5	Mr. Viswanathan Krishnan*	NA	NA	0	0	-
	% Attendance	100	100			

* During FY 2022-23, Mr. Viswanathan Krishnan, Independent Director, was appointed as member of the ESG Committee in place of Ms. Sheetal Agarwal w.e.f. March 21, 2023.

The broad terms of reference of the ESG Committee are as under

1. Provide guidance and approve ESG strategy and roadmap;
2. Review unified disclosures on ESG performance;
3. Monitor progress of ESG initiatives and their impact;

H. INDEPENDENT DIRECTORS' COMMITTEE

During FY 2022-23, our Company constituted an Independent Directors' (ID) Committee in terms of the NSE Prime norms for strengthening corporate governance.

Composition of Independent Directors' Committee

The ID Committee comprised of the following members as on March 31, 2023

Sr. No.	Name of the Member	Category
1	Mr. Anand Shailesh Bathiya	Non-Executive Independent Director
2	Mr. Viswanathan Krishnan	Non-Executive Independent Director
3	Mr. Shamik Das Sharma	Non-Executive Independent Director
4	Ms. Rekha Gopal Warriar	Non-Executive Independent Director

Meetings of Independent Directors' Committee and attendance thereat

In compliance with the provisions of the Act, Regulation 25 of SEBI Listing Regulations and the NSE prime Norms, the ID Committee met 3 (Three) times during FY 2022-23. The requisite quorum was present at the ID Committee meetings. The attendance of respective members at the ID Committee meetings held during FY 2022-23 are as under

Independent Directors' Committee meetings and its attendance							
Sr. No.	Name of the Director	Independent Directors' Committee meeting dates			Held during the tenure	Attended	% of attendance of Directors
		1	2	3			
		September 28, 2022	December 06, 2022	February 28, 2023			
1	Mr. Anand Shailesh Bathiya	√	√	√	3	3	100
2	Mr. Viswanathan Krishnan	√	√	√	3	3	100
3	Ms. Rekha Gopal Warriar	√	√	√	3	3	100
4	Mr. Shamik Das Sharma	√	√	√	3	3	100
	% Attendance	100	100	100			

The ID Committee had met at the various meetings, *inter alia*, to consider/deliberate on the matters as per its terms of reference.

The broad terms of reference of the Independent Directors' Committee are as under

1. Reviewing the performance of Non-Independent Directors, the Chairman and the Board as a whole and bring an objective view in the evaluation of Board and the management;
2. Assessing the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties;
3. Deliberating on improving corporate credibility and governance standards and help in managing risk;
4. Bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointment and standards of conduct;

5. Satisfying themselves on the integrity of financial information and that financial controls and the risk management are robust and defensible;
6. Any other matter as may be deemed fit by the Independent Directors;

I. BUYBACK COMMITTEE

The Board had constituted an Adhoc Committee comprising of Mr. R. Venkataraman, Chairman and Managing Director, Mr. Narendra Jain, Whole-Time Director and Mr. Ronak Gandhi, Chief Financial Officer, ("Buyback Committee") during FY 2020-21, to do all such acts, deed, matters, and things in connection with Buyback of equity shares of our Company.

During the year, the Committee met once on January 11, 2023. All the members were present at said meeting. Since the Company had completed the buyback formalities and complied with all the obligations under Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018, the Board approved dissolution of the said Committee.



4. PERIODIC REVIEW OF COMPLIANCES OF ALL APPLICABLE LAWS

Our Company follows a system whereby all the acts, rules and regulations applicable to the Company are identified and compliance with such acts, rules and regulations is monitored by a dedicated team on a regular basis. The regulatory inspection reports/advisory/orders, etc. are periodically examined and the necessary implementation/rectifications to the system and processes are initiated. Wherever representations for reconsideration or appeals are preferred, the same are necessitated through appropriate forums or authorities from time to time and the status of the same is reviewed.

Further, verification of the compliances with major acts/regulations is carried out by suitable external auditors/lawyers/consultants and their reports and implementation of their observations are reported to the Board/Audit Committee. In addition, the audit and verification plan and actual status thereof are reviewed by the Board/Audit Committee periodically.

A consolidated compliance certificate based on the compliance status received from the respective Head of the Department in respect of various laws, rules and regulations applicable to our Company is placed before the Board periodically. Necessary reports are also submitted to the various regulatory authorities, as per the requirements from time to time.

5. GENERAL BODY MEETINGS

Details of last three Annual General Meetings

AGM	Financial Year	Date and Time	Location/Venue	Special Resolution Passed
27 th	2021-2022	July 12, 2022 at 11.00 AM	Through video conferencing / other audio visual means	<ol style="list-style-type: none"> To approve sale/disposal/leasing of asset(s) of the material subsidiary To approve offer or invitation to subscribe to the Non-Convertible Debentures on private placement basis
26 th	2020-2021	June 30, 2021 at 12.00 Noon	Through video conferencing / other audio visual means	<ol style="list-style-type: none"> To approve sale/disposal/leasing of asset(s) of the material subsidiary To approve offer or invitation to subscribe to the Non-Convertible Debentures on private placement basis
25 th	2019-2020	June 30, 2020 at 2.00 P.M.	Through video conferencing / other audio visual means	<ol style="list-style-type: none"> To approve payment of remuneration by way of Commission to Non-Executive Directors including Independent Directors up to 1% (one percent) of net profit of our Company To approve offer or invitation to subscribe to the Non-Convertible Debentures on private placement basis

Extra Ordinary General Meeting

During the year under review, no Extra Ordinary General Meeting was held.

Postal Ballot

During FY 2022-23 there were no Special resolution(s) passed through Postal Ballot.

Resolution(s), if required, shall be passed by Postal Ballot during FY 2023-24, as per the prescribed procedure.

6. MEANS OF COMMUNICATION TO THE STAKEHOLDERS

- (i) (i) The Un-audited quarterly/ half yearly results are announced within forty-five days of the close of the quarter. The audited annual results are announced within sixty days from the closure of the financial year as per the requirement of the SEBI Listing Regulations.
- (ii) The approved financial results are forthwith sent to the stock exchanges and are published in English newspaper and Marathi newspaper, within forty-eight hours of approval thereof. Presently the same are not sent to the shareholders separately.
- (iii) Our Company's financial results and official press releases are displayed on its website - www.indiainfoline.com
- (iv) Presentations made to the institutional investors or/ and analysts, transcripts and recordings of these calls are intimated to the stock exchanges within the prescribed time period specified under the SEBI Listing Regulations and hosted on our Company's website simultaneously.

- (v) The Annual Report containing, *inter-alia*, the Audited Standalone and Consolidated Financial Statements, Auditors' Report, Directors Report, Corporate Governance Report, and Management Discussion and Analysis Report is circulated to the members and others entitled thereto. The Annual Report is also available on the website of our Company and on the website of the stock exchanges where our Company's shares are listed.
- (vi) SEBI processes investor complaints in a centralised web based complaints redressal system i.e. SCORES. Through this system a shareholder can lodge complaint against our Company for his/her grievance. We upload the action taken on the complaint which can be viewed by the shareholder. Our Company and shareholder can seek and provide clarifications online through SEBI.

Go Green Initiative

As a part of our go green initiative, we have taken necessary steps to send documents viz. notice of the general meeting, annual report, etc. at the registered email addresses of shareholders. Those who have not registered their email ids are requested to register the same with the RTA in case of physical holdings/Depository Participants in case of electronic holdings with depositories, to enable our Company to send the documents by the electronic mode. In view of the relaxation provided by the Securities and Exchange Board of India, no physical copies of the annual report for FY 2022-23 will be issued by the Company. However hard copy of full annual report will be sent to shareholders who request for the same. Members can access the documents at the website of the Company www.indiainfoline.com, as well as the website of the stock exchanges i.e. BSE Ltd. (www.bseindia.com) and National Stock Exchange of India (www.nseindia.com)

7. GENERAL SHAREHOLDERS INFORMATION

Annual General Meeting ("AGM") for the Financial Year 2022-23

DAY AND DATE	Thursday, August 31, 2023
TIME	11:00 a.m.
MODE/VENUE	Through video conferencing / other audio visual means
BOOK CLOSURE DATE FOR AGM	August 25, 2023 to August 31, 2023 (both days inclusive)
FINANCIAL YEAR	April 1, 2022 to March 31, 2023

Dividend

Pursuant to Regulation 43A of the SEBI Listing Regulations, our Company has formulated the Dividend Distribution Policy which is available on the website of our Company, https://www.indiainfoline.com/securities/reports/Dividend_Distribution_Policy.pdf

During FY 2022-23, the Board of Directors have declared dividend as follows

Dividend	Date of Declaration	Date of Payment	Percentage of Dividend on the face value of equity share	Amount Per Share
Interim Dividend	January 23, 2023	February 16, 2023	150%	3/-

This led to an outgo of ₹ 914.56 million. The same is considered as final dividend.

Listing of equity shares on the stock exchanges

Our Company's equity shares are listed on the following stock exchanges

Stock exchanges	Stock Code
BSE Limited Phirose Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001	542773
National Stock Exchange of India Limited Exchange Plaza, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051	IIFLSEC

The securities of our Company have not been suspended from trading during the Financial Year 2022-23 and the requisite Listing fees for Financial Year 2022-23 has been paid to BSE Limited and the National Stock Exchange of India Limited.



Market price data during financial year 2022-23

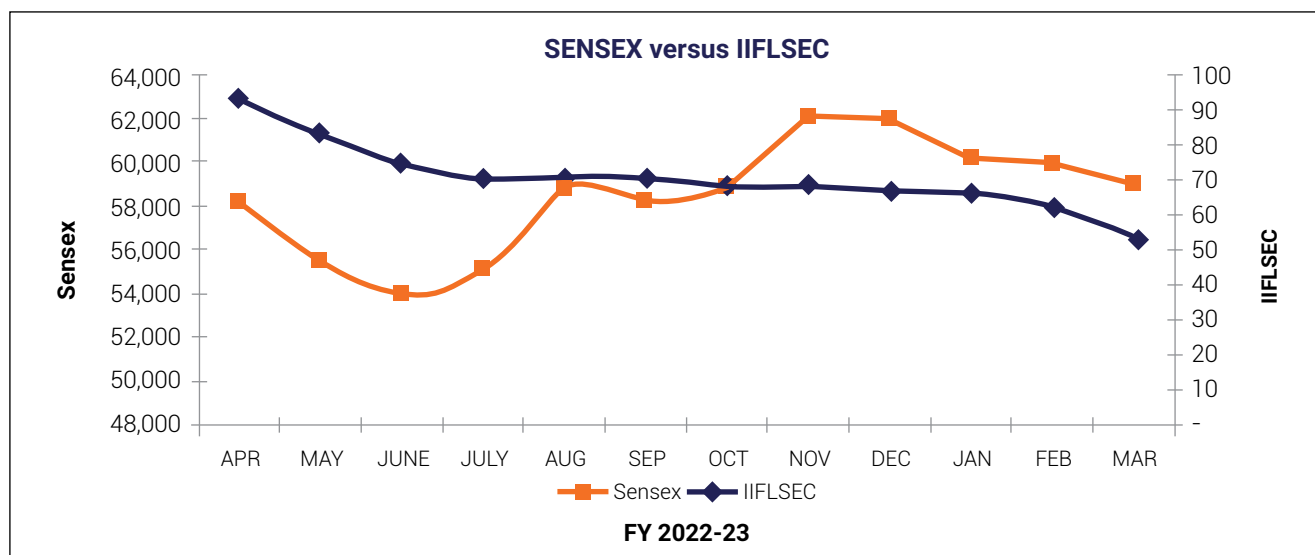
The table herein below gives the monthly high and low prices and volume of our Company's shares traded on BSE Limited and National Stock Exchanges of India Limited for the FY 2022-23.

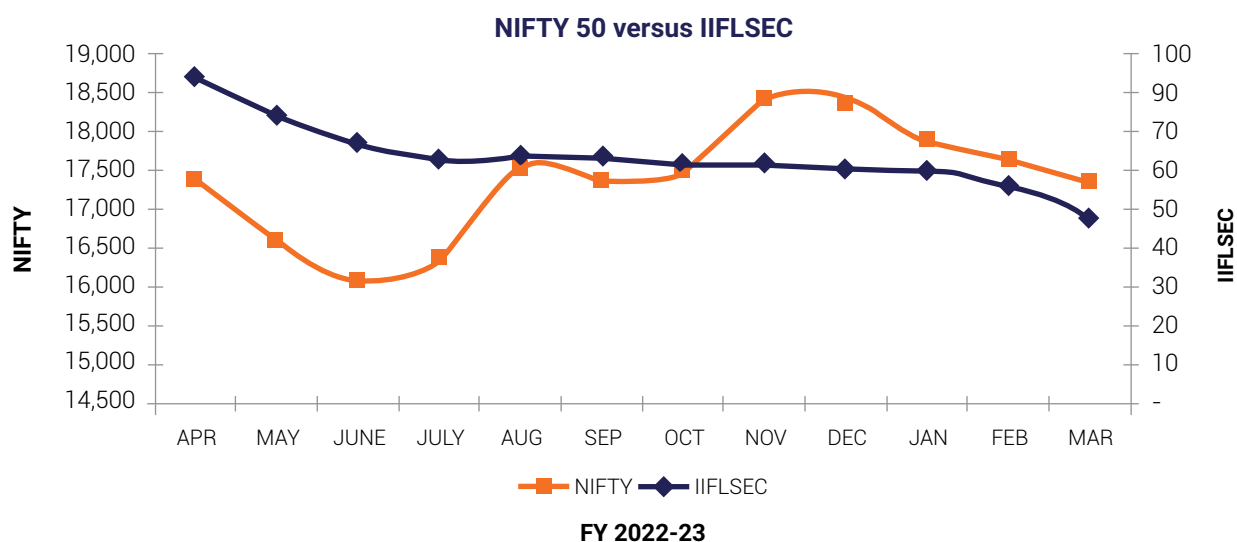
Month	BSE			NSE		
	High	Low	Volume	High	Low	Volume
April, 2022	105.9	88	2,400,915	105.95	88.05	21,862,675
May, 2022	90	70.65	1,915,732	89.35	71	8,993,693
June, 2022	83.95	65.25	469,128	83.65	65	3,698,445
July, 2022	76.6	67.3	379,225	76.2	65.8	3,135,640
August, 2022	76	66.75	523,898	75.1	67	4,411,751
September, 2022	79.65	64.8	620,506	79.4	64.6	6,311,097
October, 2022	72.1	65.9	469,471	72.4	65.95	5,270,470
November, 2022	71.65	66.5	872,201	71.6	67	6,519,070
December, 2022	72.4	61.65	954,986	72.7	61.6	11,158,139
January, 2023	69.4	63.3	571,819	69.5	63.25	5,150,421
February, 2023	70.4	53	594,387	70.3	52.8	4,474,366
March, 2023	58.37	48.23	581,756	59.2	48.2	6,460,793

Performance in Comparison to benchmark Indices – BSE Sensex and NSE Nifty 50

Below charts plot the monthly average price of IIFL Securities Limited versus the BSE - Sensex and NSE – Nifty 50 for the year ended March 31, 2023.

IIFL Securities Limited share price versus the BSE Sensex



IIFL Securities Limited share price versus the NSE Nifty 50

Distribution of shareholding as on March 31, 2023

The distribution of shareholding as on March 31, 2023, is as follows

IIFL Securities Limited
Distribution of shareholding based on shares held
Report Type : All(NSDL+CDSL+PHYSICAL)

Sr. no.	SHARES RANGE	NUMBER OF SHAREHOLDERS	% OF TOTAL SHAREHOLDERS	TOTAL SHARES FOR THE RANGE	% OF ISSUED CAPITAL
1	1 to 500	54,754	85.5331	5,894,874	1.9294
2	501 to 1,000	4,264	6.6609	3,400,854	1.1131
3	1,001 to 2,000	2,236	3.4929	3,376,900	1.1053
4	2,001 to 3,000	891	1.3919	2,279,496	0.7461
5	3,001 to 4,000	432	0.6748	1,545,638	0.5059
6	4,001 to 5,000	324	0.5061	1,520,868	0.4978
7	5,001 to 10,000	511	0.7983	3,767,911	1.2332
8	10,001 to *****	603	0.9420	283,742,425	92.8692
Total		64,015	100.0000	305,528,966	100.0000

Category wise shareholding

Details of category wise shareholding as on March 31, 2023 is as follows

Category	Percentage of Holding	No. of Shares
Promoters and Promoters Group	31.14	95,143,214
Alternate Investment Funds	3.21	9,785,323
Foreign Portfolio Investor	16.48	50,358,039
Financial Institution/Banks	0.00	1,883
Individuals and others	15.80	48,253,305
NBFCs registered with RBI	0.00	1,200
Foreign Nationals	0.04	135,000
Hindu Undivided Family	0.32	987,506
Foreign Companies	27.70	84,641,445
NRIs	4.44	13,562,034
Investor Education and Protection Fund	0.01	26,244
Bodies Corporates	0.86	2,633,773
Total	100.00	305,528,966



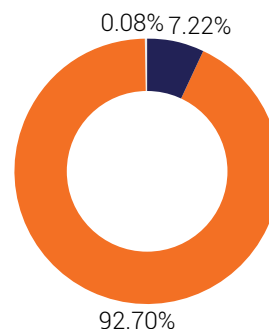
Share transfer system

In accordance with the provisions to Regulation 40(1) of the SEBI Listing Regulations, effective from April 01, 2019, transfers of shares of our Company shall not be processed unless the shares are held in the dematerialised form with a depository. Accordingly, shareholders holding equity shares in physical form are urged to have their shares dematerialised so as to be able to freely transfer them and participate in various corporate actions.

Dematerialisation of shares and liquidity

Percentage of shares held in physical and dematerialised form for the financial year ended on March 31, 2023, is as follows

Particular of Equity	No. of shares	% of Total
Held in electronic mode with Depositories.		
1 CDSL	22,058,567	7.22
2 NSDL	283,228,305	92.70
3 Held in physical mode	242,094	0.08
Total	305,528,966	100.00



Process of dematerialisation of shares

Shareholders who continue to hold shares in physical form are requested to dematerialise their shares at the earliest and avail the benefits of dealing shares in demat form. For convenience of shareholders, the process of getting the shares dematerialised is given hereunder

- Demat account should be opened with a Depository Participant ("DP")
- Shareholders should submit the Dematerialisation Request Form ("DRF") along with share certificates in original, to their DP

Demat ISIN numbers in NSDL and CDSL for equity shares - INE489L01022

Registrar and Transfer Agent

Link Intime India Private Limited

C-101, 247, Lal Bahadur Shastri Marg, Gandhi Nagar, Vikhroli West, Mumbai -400083.

Tel: 022-49186000

Email: rnt.helpdesk@linkintime.co.in

Outstanding GDRs/ADRs/Warrants or any convertible Instruments conversion date and likely impact on equity

Our Company has not issued any GDRs/ADRs/Warrants during FY 2022-23 and there are no outstanding GDRs/ADRs/Warrants as on date.

As on March 31, 2023, our Company has 12,000 stock options outstanding under IIFL Securities Employee Stock Option 2019-Demerger Scheme and 9,187,309 stock options outstanding under IIFL Securities Limited Employee Stock Option Scheme 2018. Each option granted is convertible into one equity share of our Company. Upon exercise of options by grantees, the paid-up share capital of our Company will accordingly increase.

Commodity price risk or foreign exchange risk and hedging activities

We offer trading facilities in the commodity derivatives and currency derivatives segments to our clients. Our Company, in the capacity of trading/clearing member may be exposed to commodity price risk or foreign exchange risk on account of our clients' positions. These risks of clients' positions are mitigated by collecting upfront margins from clients and monitoring their positions by marking them to market.

Address for correspondence

Compliance Officer	Link Intime India Private Limited	Company
Ms. Meghal Shah, Company Secretary and Compliance Officer Office No 1, Gr Floor, Hubtown Solaris, N. S. Phadke Marg, Andheri, Vijay Nagar, Mumbai - 400 069	Unit: IIFL Securities Limited C-101, 247, Lal Bahadur Shastri Marg, Gandhi Nagar, Vikhroli West, Mumbai -400083. Tel: 022-49186000 Email: rnt.helpdesk@linkintime.co.in	Registered Office IIFL House, Sun Infotech Park, Road No. Plot No. B-23, Thane Industrial Area, Wagle Estate, Thane – 400604 Email: secretarial@iifl.com

Plant location

Our Company is in the business of broking, therefore, it does not have any manufacturing plants.

Credit ratings obtained by the Company

Name of the Credit Rating Agency	Credit Rating obtained in respect of various securities	Amount (₹ million)	Issue Date/ Revalidation	Validity of Rating	If Rating Downgraded (specify reason)
CRISIL	Commercial Paper	10,500	August 26, 2022	One year from the date of the Credit rating report	CRISIL A1+
ICRA Limited	Commercial Paper	10,500	March 08, 2023	One year from the rating assigned	[ICRA]A1+
ICRA Limited	Bank Facilities	2,000	March 08, 2023	One year from the rating assigned	[ICRA]A1+

8. DISCLOSURES

i. Disclosure on materially significant Related Party Transactions that may have potential conflict with the interest of the Company at large

In line with requirement under Regulation 23(1) of the SEBI Listing Regulations, our Company has put in place a Policy for Related Party Transactions (RPT Policy), which has been recommended by the Audit Committee and approved by the Board of Directors. The said Policy may be accessed on the website of our Company at <https://www.indiainfoline.com/securities/reports/Related1205211.pdf>.

During FY 2022-23, our Company has entered into material contract/arrangement/transaction with related parties within the maximum limit approved by the members of our Company at its meeting held on July 12, 2022. You may refer to note to the Standalone Financial Statements and Consolidated Financial Statements respectively, for the related party disclosures.

All transactions entered into by our Company during the financial year, with related parties, were on arm's length basis and in the ordinary course of business. All such related party transactions were entered into in accordance with the RPT Policy of our Company.

Further, in terms of the provisions of Regulation 23(9) of the SEBI Listing Regulations, disclosure of related party transactions on a consolidated basis is made to the stock exchanges where the securities of our Company are listed, on a half-yearly basis. The same is also uploaded on the website of our Company.

ii. Details of non-compliance by our Company, penalties, strictures imposed on our Company by the Stock Exchange or SEBI or any other statutory authority on any matter related to capital markets, during the last three years

During the year, there have been no instances of material non-compliances by our Company on any matter related to the capital markets. The Exchanges have levied minor penalties in the ordinary course of business and the

same has been appealed before the relevant authorities/ courts and/or settled/ paid considering the magnitude, time and effort involved in the litigation. Further, in the month of May 2022, SEBI passed two orders levying a penalty of Rs.1 crore each for old inspections conducted in February 2014 and March 2017. The Appeals have been filed before Securities Appellate Tribunal (SAT) against the said orders and Hon'ble SAT vide its order dated July 18, 2022 stayed the proceedings.

iii. Vigil Mechanism/Whistle Blower policy

Pursuant to Section 177(9) and (10) of the Act, and Regulation 22 of the SEBI Listing Regulations, our Company has formulated a Vigil Mechanism/Whistle Blower Policy to enable Directors, Stakeholders, including individual employees and their representative bodies to report, in good faith, unethical, unlawful or improper practices, acts or activities. The said mechanism ensures that the whistle blowers are protected against victimisation/any adverse action and/or discrimination as a result of such a reporting and provides a direct access to the Chairman of the Audit Committee in exceptional cases. During the year the Company received 1 complaint under the said Policy and the same was dealt and closed appropriately. Our Company hereby affirms that none of its personnel have been denied access to the Audit Committee.

The Whistle Blower Policy has been disclosed on the website of our Company at https://www.indiainfoline.com/securities/reports/IIFL_Securities_Whistle_Blower_Policy.pdf.

iv. Compliance with mandatory and non-mandatory provisions

Our Company has adhered to all the mandatory requirements of corporate governance norms, as prescribed by Regulations 17 to 27 and Clause (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI Listing Regulations to the extent applicable to our Company.



The status on the compliance with the non-mandatory recommendation in the SEBI Listing Regulations is as under

- **The Board**

Maintenance of the Non-Executive Chairperson's Office: Currently, Chairman of the Company is the Managing Director, hence maintenance of the Non – Executive Chairperson's Office is not applicable.

- **Shareholder Rights**

The quarterly/annual financial results as well as all significant information/events disseminated to the stock exchanges are uploaded on the website of our Company and is available to all the shareholders.

- **Modified opinion(s) in the Audit Report**

The Auditor's Report on statutory financial statements of our Company is unmodified.

- **Separate posts of Chairperson and the Managing Director or the Chief Executive Officer**

Currently, Chairman of the Company is the Managing Director and there is no separate post for the same.

- **Reporting of Internal Auditor**

The Internal Auditor makes quarterly presentations to the Audit Committee on their reports.

- v. **Material subsidiaries**

In accordance with the provisions of the SEBI Listing Regulations, our Company has formulated a Policy for determining Material Subsidiaries and to provide governance framework for such subsidiaries. The said Policy is available on the website of our Company at https://www.indiainfoline.com/securities/reports/Policy_for_determining_material_subsidiaries.pdf.

For FY 2022-23, IIFL Facilities Services Limited (IFSL), was a material subsidiary in terms of the provisions of SEBI Listing Regulations. IFSL was incorporated on December 3, 2007, at Mumbai, Maharashtra. The shareholders of IFSL at its 15th Annual General Meeting (AGM) held on July 11, 2022, re-appointed M/s V. Shankar Aiyar & Co., Chartered Accountant (FRN. 109208W) as the Statutory Auditors of the company for the second term of five consecutive years to hold the office from the conclusion of the 15th AGM till the conclusion of the 20th AGM. Further, Ms. Rekha Warriar, Independent Director on the Board of our Company is also an Independent Director on the Board of IFSL, the material subsidiary.

- vi. **Disclosure in relation to Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013**

Number of complaints filed during the financial year	1
Number of complaints resolved during the financial year	1
Number of complaints pending at the end of the financial year	0

- vii. **Recommendations of the Committees**

During FY 2022-23, there were no instances where recommendations of any Committee of the Board, which is mandatorily required for approval of the Board, were not accepted by the Board.

- viii. **Prevention of Insider Trading**

Our Company has adopted the 'Code of Conduct for Prevention of Insider Trading' to regulate, monitor and report trading by its Designated Persons and their immediate relatives in the securities of our Company and other securities in compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015 ("SEBI PIT Regulations") as amended from time to time, adopting minimum standards set out in Schedule B and Schedule C of SEBI PIT Regulations.

Our Company has also adopted the 'Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information' under SEBI PIT Regulations for preserving the confidentiality of Unpublished Price Sensitive Information (UPSI) and preventing misuse of such information and ensuring timely, fair and adequate disclosure of events and occurrences that could impact price discovery in the market for the Company's securities. The same is available on the website of our Company, at https://www.indiainfoline.com/securities/reports/Code_of_Practices_and_Procedures_for_Fair_Disclosure_of_Unpublished_Price_Sensitive_Information_%28UPSI%29.pdf.

9. DETAILS OF UTILISATION OF FUNDS

During FY 2022-23, our Company has not raised any funds either through preferential allotment or qualified institutions placement therefore disclosure of this information is not applicable.

10. SUBSIDIARY COMPANIES

Our Company has the following subsidiaries, out of which IIFL Facilities Services Limited is the material subsidiary of the Company as per SEBI Listing Regulations.

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

* Wholly-owned subsidiary

The Audit Committee/Board periodically reviews significant developments, transactions and arrangements entered by the subsidiary companies. The Audit Committee/Board also reviews the financial statements of the subsidiary companies, including investments made by such companies. The minutes of the meetings of the Board of Directors of the subsidiary companies are periodically placed before the Board of Directors of our Company.

11. FEES PAID TO THE STATUTORY AUDITORS:

Total fees incurred by our Company including its subsidiaries, on a consolidated basis to the statutory auditors and all entities in their network / firm / network entity of which they are a part, is ₹ 9.21 million.

12. DETAILS OF LOANS AND ADVANCES IN WHICH DIRECTORS ARE INTERESTED

The disclosures of transactions of loans and advances to firms or companies in which Directors are interested are given in the Notes to the Financial Statements.

13. MD/CFO CERTIFICATE

The certificate required under SEBI Listing Regulations duly signed by the Managing Director and Chief Financial Officer, was placed before the Board at its meeting held on April 24, 2023 and the same is annexed to this Report.

14. CODE OF CONDUCT

Our Company has formulated a Code of Conduct for its Board of Directors and Senior Management which is available on the website of our Company at https://www.indiainfoline.com/securities/reports/code_of_conduct_directors_&_senior_management.pdf.

The declaration by the Managing Director, as required under Regulation 34(3) read with Schedule V (D) of the SEBI Listing Regulations, stating that the members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct has been obtained for FY 2022-23 and forms part of this Annual Report.

15. CERTIFICATE FROM COMPANY SECRETARY IN PRACTICE

Our Company has obtained the certificate from M/s. Nilesh Shah & Associates, Company Secretary in practice as required under SEBI Listing Regulations confirming that none of the Directors on Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the SEBI/Ministry of Corporate Affairs or any such statutory authority and the same is annexed to this Report.

For and on behalf of the Board

R. Venkataraman

Chairman & Managing Director
DIN: 00011919

Place: Mumbai

Date: April 24, 2023



Managing Director (MD) and Chief Financial Officer (CFO) Certification under SEBI

(Listing Obligations and Disclosure Requirements) Regulations, 2015

To,
The Board of Directors
IIFL Securities Limited
Mumbai

We Certify that

- (a) (a) We have reviewed the financial statements and the cash flow statement of **IIFL Securities Limited** (the Company) for the year ended March 31, 2023 and, that to the best of our knowledge and belief:
- i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. These statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year that are fraudulent, illegal or violative of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the Company's internal control systems pertaining to financial reporting. We have not come across any deficiencies in the design or operation of such internal controls.
- (d) We have indicated to the Auditors and the Audit Committee:
- i. Significant changes in internal control during the year, if any;
 - ii. Accounting policy has been consistently applied during the year except where a newly Accounting Standard (Ind AS) is initially adopted or a revision to existing Ind AS required a change in accounting policy hitherto in use;
 - iii. that there are no instances of significant fraud of which we have become aware.

R. Venkataraman
Chairman & Managing Director
DIN: 00011919

Ronak Gandhi
Chief Financial Officer

Place: Mumbai
Date: April 24, 2023

DECLARATION BY MANAGING DIRECTOR UNDER REGULATION 34(3) READ WITH SCHEDULE V OF SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 IN RESPECT OF COMPLIANCE WITH THE COMPANY'S CODE OF CONDUCT

This is to confirm that the members of the Board of Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct of IIFL Securities Limited, as applicable to them, for the Financial Year ended March 31, 2023.

For **IIFL Securities Limited**

R. Venkataraman

Chairman & Managing Director
DIN: 00011919

Place: Mumbai

Date: April 24, 2023

CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of
IIFL Securities Limited
Mumbai

We have examined the compliance of conditions of Corporate Governance by **IIFL Securities Limited** ('the Company'), for the financial year ended on **31st March, 2023**, as stipulated in regulations 17 to 27 and clauses (b) to (i) and (t) of regulation 46(2) and para C, D and E of Schedule V of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 to the extent applicable.

The compliance with conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Mumbai
Date: 24/04/2023

For **Nilesh Shah & Associates**
Company Secretaries
UDIN: F004554E000182468

Nilesh Shah

Partner

FCS - 4554

C.P.No: 2631

Peer Review No. 698/2020

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

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

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **IIFL Securities Limited**, having CIN: L99999MH1996PLC132983 and having registered office situated at IIFL House, Sun Infotech Park, Road No. 16V, Plot No. B-23, Thane Industrial Area, Wagle Estate Thane – 400 604 (hereinafter referred to as '**the Company**'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and carried by us and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on **March 31, 2023** have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory:

Sr. No.	Name of Director	DIN	Date of appointment in the Company
1	Venkataraman Rajamani	00011919	15/05/2019
2	Narendra Jain	01984467	13/05/2019
3	Anand Bathiya	03084831	22/09/2020
4	Shamik Sharma	07779526	14/01/2020
5	Rekha Warriar	08152356	08/05/2019
6	Viswanathan Krishnan	09026252	21/01/2021

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Mumbai
Date: 24/04/2023

For **Nilesh Shah & Associates**
Company Secretaries
UDIN: F004554E000182435

Nilesh Shah
Partner
FCS - 4554
C.P.No: 2631
Peer Review No. 698/2020

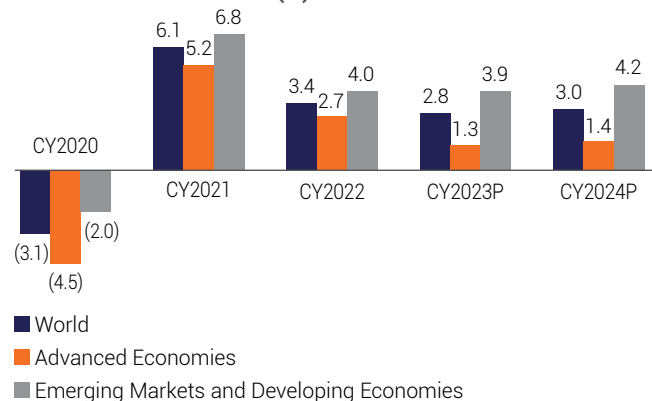
Management Discussion and Analysis



GLOBAL ECONOMY

Recovery in global economy from the negative impacts of the pandemic and Russia-Ukraine crisis is likely to be gradual, not steep. Positively, war-induced disruptions in the supply chain are easing out. At the same time, massive and synchronised tightening of monetary policy by a majority of central banks is helping to rein in inflation. Economies that were severely affected from COVID-19, notably China, appear to be recovering, thereby reducing supply-chain disruptions. Despite the benefits of lower food and energy costs and enhanced supply-chain functioning, risks are emerging from the instability seen in the financial sector in recent times. There are visible signs that monetary policy tightening is starting to cool demand and inflation, but the full impact is unlikely to be realised before CY 2024. The global economy which grew by 3.4% in CY 2022 is expected to witness growth of 2.8% in CY 2023 and 3.0% in CY 2024.

World Economic Growth (%)



Source: International Monetary Fund (IMF) April 2023 report
 P: Projected



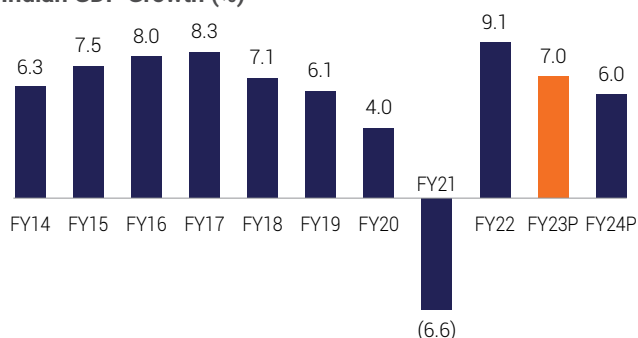
The financial instability of the gilt market in the United Kingdom and the recent collapse of a few banks in the United States demonstrate that both banks and non-bank financial institutions have vulnerabilities. In both instances, governments and authorities acted swiftly and have thus far successfully controlled the financial crisis.

In this scenario, economic growth for advanced economies is projected to slow from 2.7% in CY 2022 to 1.3% in CY 2023 and stabilise at 1.4% in CY 2024. The emerging markets and developing economies which grew by 4.0% in CY 2022 are expected to grow at 3.9% in CY 2023 and 4.2% in CY 2024. The expected pickup in CY 2024 in both groups of economies reflects gradual recovery from the effects of the war and subsiding inflation. Poorly governed financial institutions with excessive leverage, credit risk, or interest rate exposure, excessive reliance on short-term funding may face adversities in future. A sharp tightening of global financial conditions could have a significant impact on credit conditions and public finances and lead to decline in global activity due to lower confidence, household spending and investment.

INDIAN ECONOMY

India's economic activity has remained stable despite widespread global uncertainty and it is in a far stronger position than most other economies. Strong private consumption amid pent-up demand, a faster rebound in contact-intensive service industries and the government's continued emphasis on capital investment have all contributed to the growth. While this momentum is expected to continue, the gradual waning of pent-up demand, the slow pace of recovery in private capex and unfavorable weather ahead of the rabi harvest season might pose downside risks to economic growth. Further, continuously growing inflationary pressures and forecasts of higher interest rates for an extended period of time may weigh on the global economy, rubbing off unfavorably on India's economic growth. According to the NSO's second advance projections, India's GDP expanded by 9.1% in FY22 and is predicted to rise by 7.0% in FY23, retaining its position as one of the fastest growing major economies in the world.

Indian GDP Growth (%)

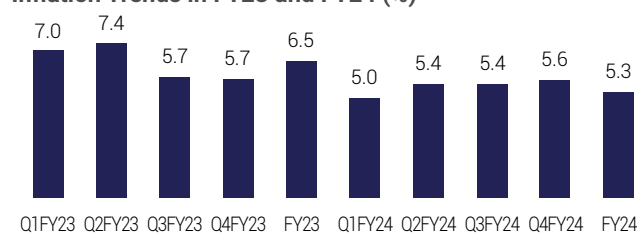


Source: NSO's Second Advanced Estimates dated 28th February, 2023
RBI SPF report as on 6th April, 2023

P: Projected

Inflation reached 7.4% in the second quarter of FY23, prompting the RBI to raise the repo rate from 4.4% in May 2022 to 6.25% in December 2022, over the course of four separate sessions. By Q4FY23, effective RBI intervention had brought inflation levels to 5.7%, which was within the target range of 4-6%. In Q1FY24, Q2FY24, Q3FY24 and Q4FY24, respectively, the RBI expects the inflation rate to reach 5.0%, 5.4%, 5.4% and 5.6%.

Inflation Trends in FY23 and FY24 (%)



Source: PIB, RBI Bulletin

RBI Repo Rate Trends

Date	RBI Repo Rates	Changes in Repo Rates
May 2022	4.4%	40 BP
June 2022	4.9%	50 BP
August 2022	5.4%	50 BP
September 2022	5.9%	50 BP
December 2022	6.25%	35 BP
February 2023	6.5%	25 BP

Source: RBI

BP: Basis Points

In April 2023, The Reserve Bank of India's (RBI) Monetary Policy Committee (MPC) paused the rate hike cycle and kept the repo rate unchanged at 6.5%. The MPC, though retained its stance of "withdrawal of accommodation". The RBI projects a decline in consumer inflation to 5.3% in FY24 and its Survey of Professional Forecasters (SPF) report projects real GDP growth at 6% for FY24. The government's robust capex drive would be a key factor driving economic growth. Improved infrastructure would increase connection and lower logistical costs for industries, while digital infrastructure would increase efficiency by providing a platform for innovation and efficient payment systems. According to the CRISIL India Outlook March 2023 report, overall industrial capex is likely to climb to ₹ 5.7 trillion on average between FY23 and FY27, up from ₹ 3.7 trillion in the previous five-year period. Robust growth in fixed investment, a revival in private consumption, strong credit growth in the banking system, easing of global inflationary pressure led by falling international commodity prices and strong government measures are expected to aid economic growth in India.

EQUITY MARKETS

Indian equities stayed volatile over the entire FY23, amid an aggressive monetary policy by central banks around the world, high inflation and outflows from overseas funds. Nifty ended FY23 down by almost 0.6%, while the Sensex

rose by approximately 0.8% during the year. The Nifty 500 Index declined 1.2% in FY23. The Nifty Midcap 50 Index increased by 4.5% while the Nifty Small Cap 50 Index declined by 13.8% in FY23.

As per the NSE Market Pulse April 2023 report, as a consequence of China easing restrictions and the subsequent economic recovery, Asian equities, led by Taiwan, Singapore

and South Korea, have posted profits in the first quarter of CY23. In the 12 months up till March 2023, the Hang Seng Index (Hong Kong) declined by 7.3%, while the Nikkei 225 Index (Japan) exhibited moderate growth of 0.8%. Despite robust domestic participation, Foreign Institutional Investors (FIIs) sought investment opportunities outside India that were comparatively less expensive due to the high valuation premium of Indian equities relative to their emerging markets (EM) counterparts.

Market Performance across Equity Indices

Indicator Name	23-Mar	1M ago	3M ago	12M ago	1M (%)	3M (%)	6M (%)	12M (%)	YTD (%)
Equity Indices									
NIFTY 50	17,360	17,304	18,105	17,465	0.3	-4.1	1.6	-0.6	-4.1
NIFTY 500	14,558	14,519	15,449	14,895	0.3	-5.8	-1.8	-2.3	-5.8
MSCI INDIA	1,920	1,910	2,069	2,034	0.5	-7.2	-3.9	-5.6	-7.2
India Volatility Index (%)	13	14	15	21	-7.7	-13	-35.2	-37.1	-13
MSCI WORLD	2,791	2,715	2,603	3,053	2.8	7.3	17.4	-8.6	7.3
S&P 500 COMPOSITE	4,109	3,970	3,840	4,530	3.5	7	14.6	-9.3	7
DOW JONES INDUSTRIALS	33,274	32,657	33,147	34,678	1.9	0.4	15.8	-4.1	0.4
HANG SENG	20,400	19,786	19,781	21,997	3.1	3.1	18.5	-7.3	3.1
FTSE 100	7,632	7,876	7,452	7,516	-3.1	2.4	10.7	1.5	2.4
NIKKEI 225	28,041	27,446	26,095	27,821	2.2	7.5	8.1	0.8	7.5

Source: NSE Market Pulse April 2023

INDUSTRY OVERVIEW

Retail Equity

Massive inflows into secondary markets, an increase in new investor registrations and a rise in the share of retail investors in the overall cash market turnover indicate that direct retail participation and proprietary in Indian equities has increased significantly over the past few years. In fact, retail investors have been net buyers in the Indian equity markets for the last three years.

Despite a recent peak in inflows in October 2022, retail investors held 9.2% of the NSE-listed universe as of December 2022, compared to 9.7% in December 2021. The number of retail investors participating in secondary markets has increased significantly from 3 million in January 2020 to approximately 8 million in March 2023 in NSE's Cash Market segment (CM segment). In FY23, the NSE has added 13.3 million new investors as compared to 19 million in FY22. In FY 2023, the share of retail traders in equity derivative turnover segment stood at 27.7% as compared to 23% in FY 2016. Increased accessibility through technology, widespread financial literacy and a customer-centric government and regulatory environment have contributed to the growth of retail participation.

On the flipside, factors such as stretched valuations, surging commodity prices, muted corporate earnings and improved prospects of few Asian peers post reopening of China resulted in FIIs withdrawing money from Indian equities. In FY23, net FII outflows totalled USD 5.1 billion, which was substantially

lower than the record USD 18.5 billion outflow in FY22. However, even at this level, inflows in India remain strong. Since March 2021, Domestic Institutional Investors (DIIs) have continued to be significant buyers of Indian stocks. This trend persisted in FY23, with net inflows reaching ₹ 2.6 trillion, up from ₹ 2.1 trillion in the preceding fiscal year.

Mutual Funds

Equity mutual funds have been the most preferred investment vehicles for investors in the current uncertain market. The mutual fund industry has been bolstered by healthy net inflows into equity mutual funds. As investors alter their allocation between short-term and long-term funds amid elevated interest rates, debt funds continue to experience outflows. From 1st April 2023, the indexation benefit will no longer be available when calculating long-term capital gains on Specified Mutual Funds, i.e. mutual funds that invest less than 35% of their proceeds in domestic company equity shares. As the tax burden on returns may increase, this change may reduce the appeal of debt funds as an investment option. Without indexation benefits, debt mutual fund investments would now be comparable to bank deposits and other fixed-income products. During FY23, the average assets under management (AAUM) for mutual funds increased by approximately 7% to ₹ 40.05 trillion from ₹ 37.70 trillion in FY22. The retail assets under management (AUM) for equity, hybrid and solution-oriented schemes increased from ₹ 18.75 trillion in FY22 to ₹ 20.34 trillion in FY23, thereby growing at 8.5%. The average AUM increased to ₹ 20.46 trillion on March 31, 2023, from

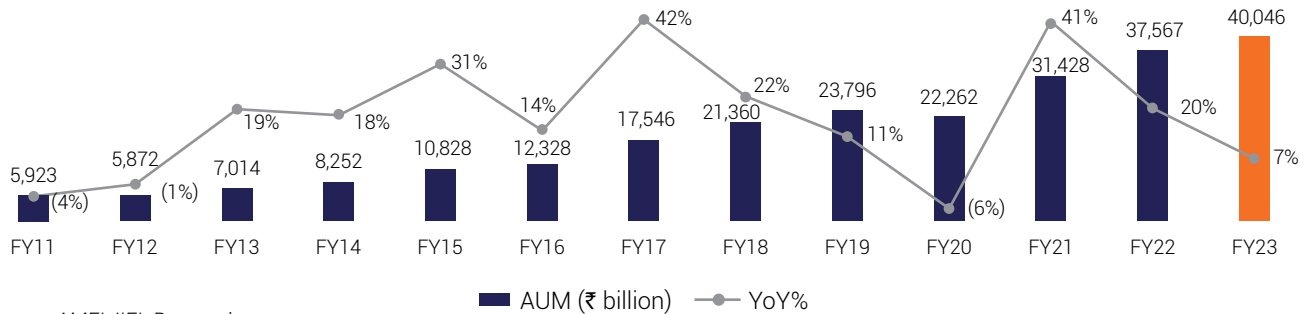


₹ 183.5 million on March 31, 2022. The AUM for debt-oriented plans totalled ₹ 11.82 trillion in FY23, compared to ₹ 12.99 trillion in FY22.

In a span of ten years, the Assets Under Management (AUM) of the Indian mutual fund industry increased from ₹ 7.01 trillion on March 31, 2013 to ₹ 39.42 trillion on March 31, 2023, a fivefold increase as per Association of Mutual Funds in India

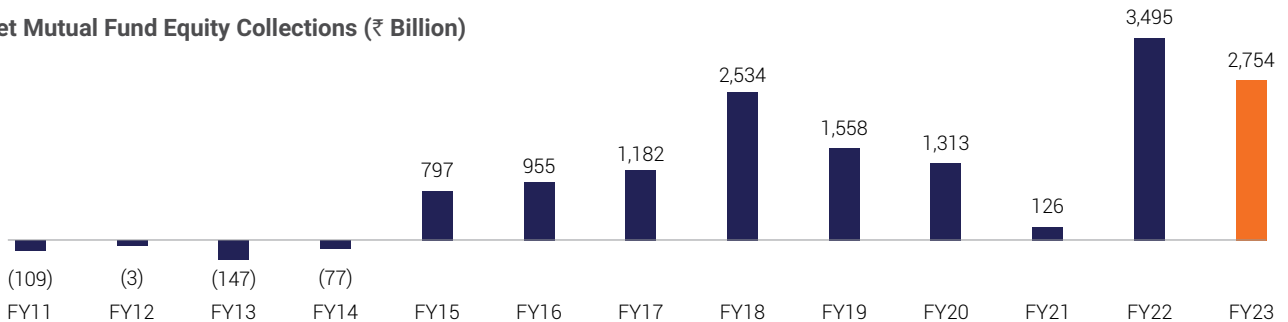
(AMFI) report. The total number of folios stood at 145.7 million as of March 31, 2023. However, the number of folios under Equity, Hybrid and Solution Oriented Schemes in which the majority of investments come from retail customers, stood at approximately 116.5 million for FY23. Net mutual fund equity collection stood at ₹ 2,754 billion in FY23 as against ₹ 3,495 billion in FY22.

Total Mutual Fund AUM (₹ billion)



Source: AMFI, IIFL Research

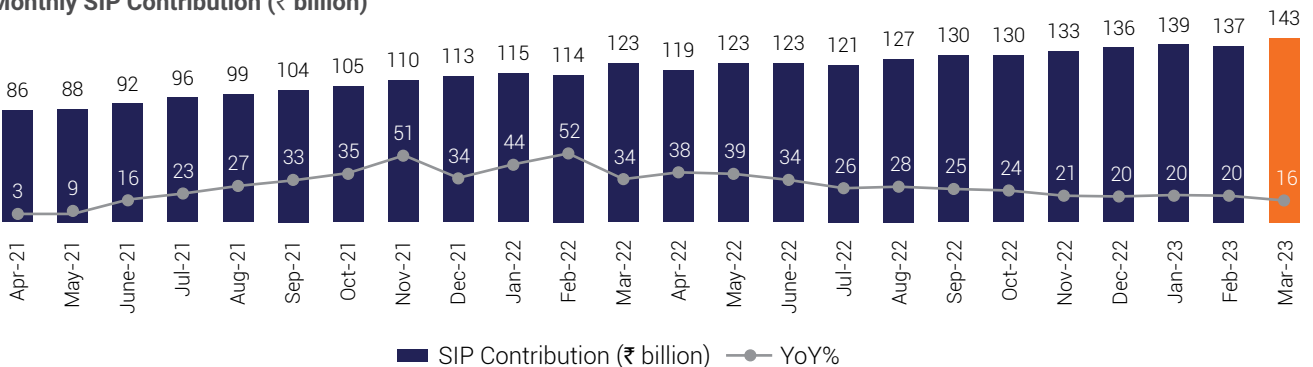
Net Mutual Fund Equity Collections (₹ Billion)



Source: AMFI, IIFL Research

Systematic Investment Plans (SIPs) remain popular among Indian investors because they facilitate rupee cost averaging and disciplined investing without concern for market volatility or market timing. In March 2023, the SIP inflows reached a new all-time high of about ₹ 143 billion, registering a growth of 16% YoY. This translates to ₹ 130 billion in average monthly inflows for the year ended FY23, as compared to ₹ 104 billion average SIP inflow recorded in FY22.

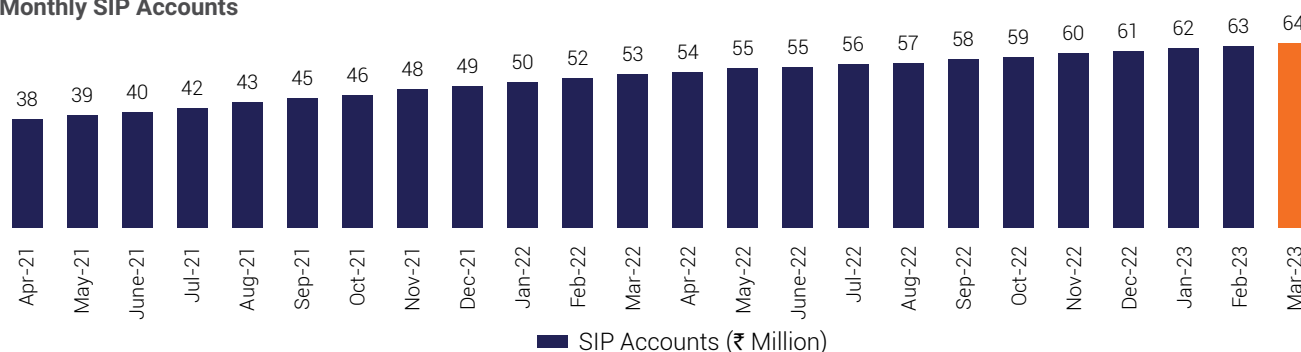
Monthly SIP Contribution (₹ billion)



Source: AMFI, IIFL Research

In March 2023, the total number of outstanding SIP accounts reached a new high of 63.6 million, approximately 20.5% more than the total number of SIP accounts as of March 31, 2022.

Monthly SIP Accounts



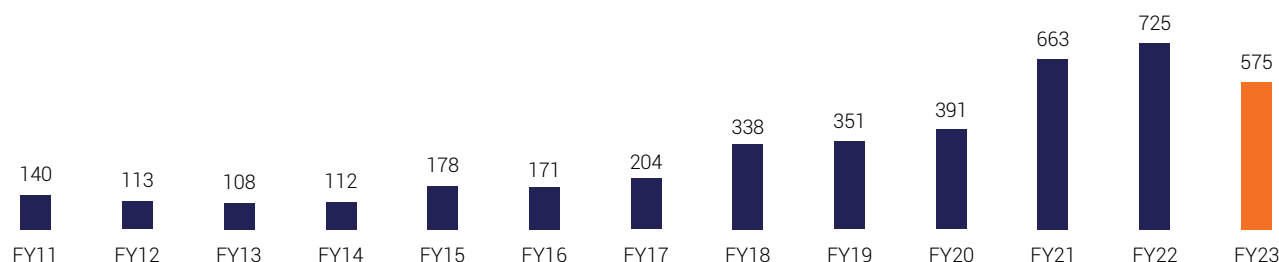
Source: AMFI, IIFL Research

Despite the market volatility led by global geo-political tensions and inflation, the increase in number of investors indicates resilient investor behaviour and continued confidence in the equity markets via the mutual fund route.

Stock Broking

The escalation of geopolitical tensions into war, supply chain disruptions in response to pent-up demand, weak listing gains in initial public offerings (IPOs), tightening monetary policies in US as well as India and elevated crude oil prices have impacted equity market sentiment. In FY23, equity capital market (ECM) activity declined as a result of the US Federal Reserve's aggressive monetary tightening followed by steep increase in market volatility. During FY23, the average daily turnover in the cash market stood at ₹ 575 billion, compared to ₹ 725 billion in FY22.

Average Daily Market Turnover in Cash Segment (₹ billion)



Source: AMFI, IIFL Research

In FY2023, the average daily traded volumes (ADTO) for the equity markets reached ₹ 153.9 trillion, indicating a significant YoY increase of 121% from ₹ 69.5 trillion in FY2022. The Cash market ADTO, on the other hand, experienced a YoY decline of 21% at ₹ 575.64 billion in FY2023. Looking at derivatives, the options volume witnessed a remarkable YoY growth of 125% at ₹ 152.2 trillion, while the futures volume decreased

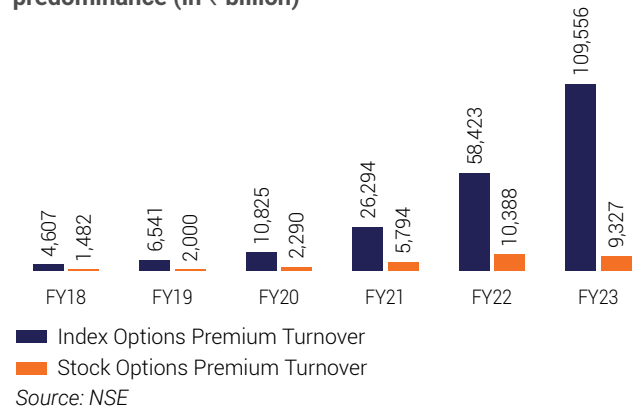
by 4% YoY to ₹ 1.1 trillion. When analysing the participants in the cash market, retail investors accounted for 47% of the total cash volume, followed by institutional investors at 25% and proprietary (prop) investors at 28%. Additionally, the proportion of Domestic Institutional Investors (DII) in the cash market was 10%.



According to NSE statistics, index options premium turnover has increased significantly since FY18, when it stood at ₹ 4,607 billion. In FY23, the index options premium turnover increased by 188% annual growth to ₹ 109,556 billion as compared to ₹ 58,423 billion recorded in FY22. The stock option premium declined by approximately 10.2% YoY in FY23, reaching ₹ 9,327 billion as compared to ₹ 10,388 billion recorded in FY22.

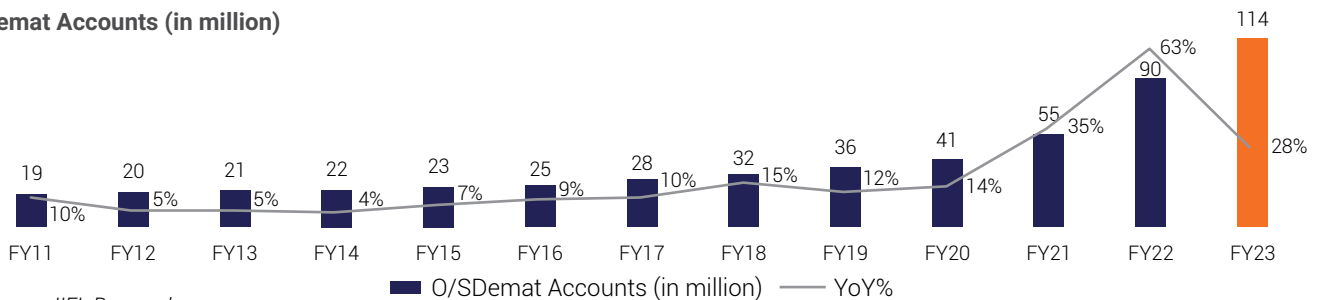
Over the past few years, India's index and stock options premium turnover exhibited remarkable growth, indicating a surge in derivatives trading and investor engagement in the market. This heightened interest is a signal that the Indian traders and investors are getting more strategy oriented in the market.

Options Premium Turnover at NSE is gaining predominance (in ₹ billion)



Impact of twin pressures, namely, inflation and global spillovers on Indian exports are significant short-term barriers to the country's growth. It has kept the Indian equity markets under pressure and could be the cause of a sustained underperformance in 2023. As more and more of the young population is looking for investment avenues, more and more demat accounts are being added every year. In FY22, there were around 90 million new demat accounts outstanding, which climbed to 114 million in FY23, representing a YoY increase of 28%.

Demat Accounts (in million)



New entrants, digitalisation and disruption and favourable regulations have altered the business landscape of the Indian financial services sector. Value-added services, such as wealth management, research, advisory, Asset Management Companies (AMC) and financial planning, have been prioritised to ensure optimum customer engagement and enhance the wealth creation journey of clients. The cost structure and operational efficiency of brokerages have improved in recent years as a result of increased technological adoption. In addition, brokerages are focusing on customer experience and payback period to enhance unit economics. Consequently, the acquisition of high-quality, revenue-generating customers and the provision of value-added services will continue to be essential for long-term earnings growth.

Investment Banking

A total of 37 IPOs were completed in fiscal 2023 raising around ₹ 520 billion. The IPO activity was fairly robust while lower than the levels witnessed in fiscal 2022. The focus of IPOs was more on funding for growth capital in companies having a track record of profitability. The offer for sale by existing shareholders continued to be an important consideration for IPOs in fiscal 2023 similar to the themes seen in fiscal 2022.

As part of the government's ongoing efforts to simplify the process of operating businesses, there have been numerous regulatory and administrative modifications. These include a drive towards digitalisation and the continued relaxation of foreign exchange regulations for inbound and outbound investments. In the meantime, the judicial system has incorporated virtual court technology, which has increased accessibility and decreased litigation costs and duration. The Indian market had a record high Mergers & Acquisitions (M&A) deal value as nearly 20 deals totaling USD 152 billion were completed in 2022. The annual inbound M&A activity included 276 deals in 2022 with a total deal value of USD 23 billion. The number of inbound deals and deal value stood at 232 and USD 28 billion in 2021, respectively. Additionally, the year was marked by some of the largest domestic transactions in the civil aviation, cement and pharmaceutical industries. In 2022, outbound M&A transactions reached a four-year high, rising from a total of 92 deals in 2019 to 121 deals in 2022. With the implementation of investor-friendly reforms, it is anticipated that the volume of investments will increase. Pharmaceutical, technological, telecommunication and infrastructure (including roads and ports) investments are anticipated to continue to attract both domestic and international investors and dominate the M&A market. Investment growth may also result from ESG investments and enabling government

policies. In addition, given the expanding transition towards sustainable energy, there is likely to be an increase in investments in the electric vehicle, battery and green energy industries. The funding winter may have begun to take shape and start-ups may see an increase in consolidations in order to overcome the cash deficit. Conglomerates will continue to expand into emerging markets. Despite the decline in PE-backed deal volume over the past year, an upward trend could be anticipated by the second half of 2023.

Source: <https://www.iflr.com/article/2bdj3jm6k18dwd0xhxlhc/expert-analysis/mergers-acquisitions-report/m-a-report-2023-india>

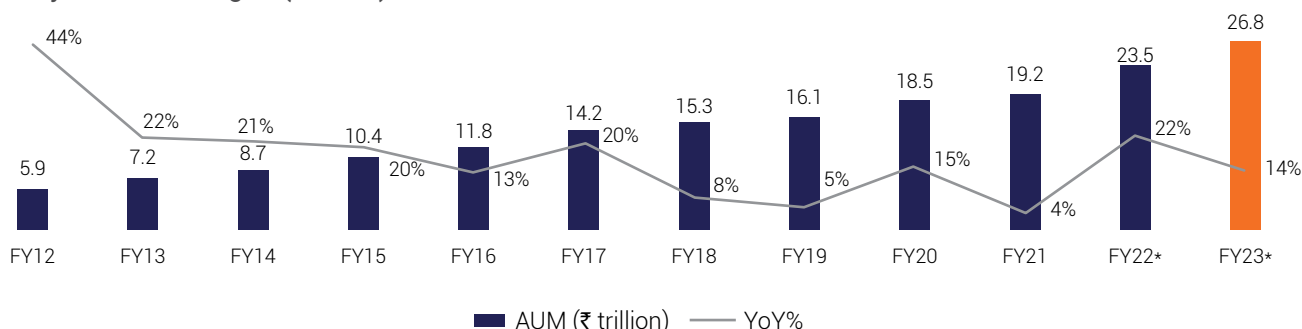
Portfolio Management Services (PMS)

Portfolio management services are provided in India by asset management businesses, banks, brokerage firms and individual investment managers. Investing portfolios can incorporate a wide range of securities, including stocks, bonds and cash equivalents. This combination is arrived at after considering the investor's risk tolerance, which

determines the return potential of the portfolio. In addition to administering mutual fund schemes, AMC's in India have begun to offer investors tailor-made investment plans with greater flexibility through PMS.

As compared to December 2021, total assets under the control of portfolio managers grew by 14% to ₹ 26.8 trillion in February 2023. The discretionary part of PMS, in which the portfolio manager manages the assets of customers based on their requirements, was the primary driver of this rise. Discretionary PMS dominated the market, accounting for 86% of the market, followed by advise (8%) and non-discretionary (6%). High Net Worth Individuals (HNIs) are increasingly going outside traditional investment vehicles such as real estate, gold, fixed deposits and mutual funds after the fast evolution of the financial system in India. HNIs are increasingly seeking customised solutions that may help diversify and increase their money at a far faster rate than typically accessible investing alternatives such as PMS.

AUM by Portfolio Managers (₹ trillion)



Source: SEBI

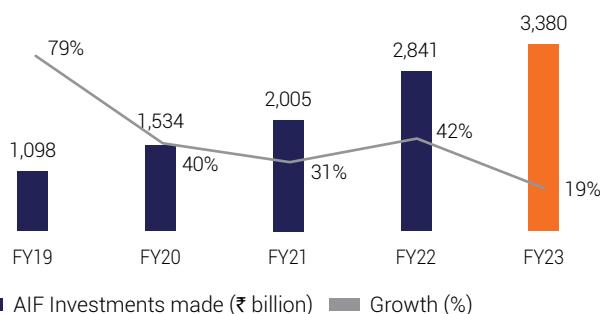
*Data as on December 2021 for FY22 and Data as of February 2023 in FY23

Alternative Investment Funds (AIF)

AIF is a privately pooled investment vehicle that collects funds from sophisticated private investors in India and abroad and invests them according to a predetermined investment philosophy. AIFs' cumulative investments in India increased to ₹ 3,231 billion by December 2022 as compared to ₹ 2,674 billion recorded in December 2021, rising significantly by 21% during the year. The total AIF investment commitments reached ₹ 8,338 billion at the end of March 2023, up by ₹ 1,924 billion from ₹ 6,414 billion at the end of March 2022. The total investments made by the AIF industry increased by 19% in FY23, reaching ₹ 3,380 billion, up from ₹ 2,841 billion in FY22. The increase in AIF growth is mostly due to favourable improvements in tax structure, fewer restrictions on FDI limits on Indian-owned AIF funds and SEBI's standardisation and transparency implementation. The ongoing positive upticks in AIF demonstrate investors' interest in Indian financial markets. Due to changes in the mutual fund tax structure, AIF funds have become more attractive to investors. Investor confidence has also increased as a result of a greater number of

investment managers, track record of fund tenor completions and the robust nature of AIFs' regulatory supervision.

AIF Investments (₹ billion)



Source: SEBI

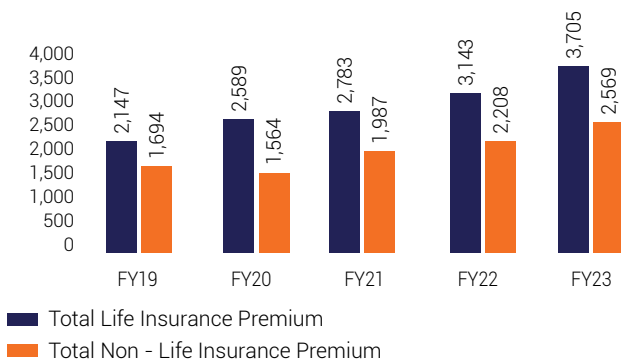


Insurance

In the year 2022, the insurance sector has seen major alterations. The pandemic has expedited the industry's rapid digitalisation, boosted demand for health insurance, necessitated the development of new products and more. With the Insurance Regulatory and Development Authority of India (IRDAI) predicting that the Indian insurance market will reach USD 200 billion by 2027, there is ample opportunity for all insurance firms to grow and expand. In an effort to accomplish its aim of "Insurance for all by 2047", the IRDAI has launched a number of steps to enhance the growth of the insurance industry. The IRDAI has proposed introducing Bima Sugam, a centralised online platform employing Bima Vahak (similar to a Banking Correspondent in the banking sector) to distribute a singular product called Bima Vistaar, which will assist in providing a boost to parametric insurance in order to provide broad coverage. With the regulator's decision to simplify the product registration and approval process by bringing all products under the Use and File regime, the introduction of new and innovative products will help insurance intermediaries increase insurance penetration in the shortest time possible.

According to the General Insurance Council (GIC) report for FY23, the non-life insurance industry's total direct premiums increased by 16.4% from ₹ 2,208 billion in FY22 to ₹ 2,569 billion in FY23. The total premiums for General insurance grew from ₹ 1,849 billion in FY22 to ₹ 2,148 billion in FY23, thereby registering a growth rate of 16.2%. The standalone private health insurance registered the highest growth for FY23. The premiums for health and specialised insurance stood at 209 billion and 150 billion for FY23, growing by 25.8% and 5.2%, respectively. On the life insurance front, life insurance premium collections grew to ₹ 3,705 billion in FY23, up from ₹ 3,143 billion in FY22. A similar set of themes will continue to drive growth in the future. It is expected that insurers would develop new and creative solutions as soon as possible to enhance insurance penetration.

Insurance Premiums (₹ billion)

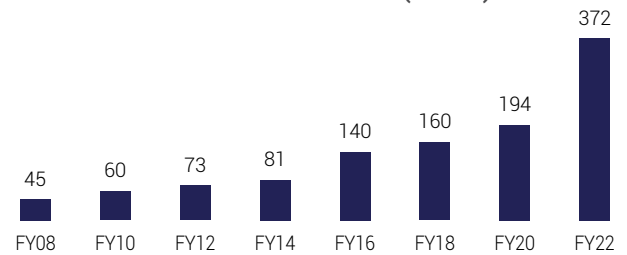


Source: IRDAI

Healthcare

India's healthcare industry largely comprises the key segments of hospitals, pharmaceuticals, diagnostics, medical devices and equipment, health insurance and medical tourism. The industry has been growing at a CAGR of 16% since 2008 and expected to have a market size of USD 372 bn at the end of fiscal 2022.

Indian Healthcare Sector Market Size (in USD)



Source: NITI Aayog

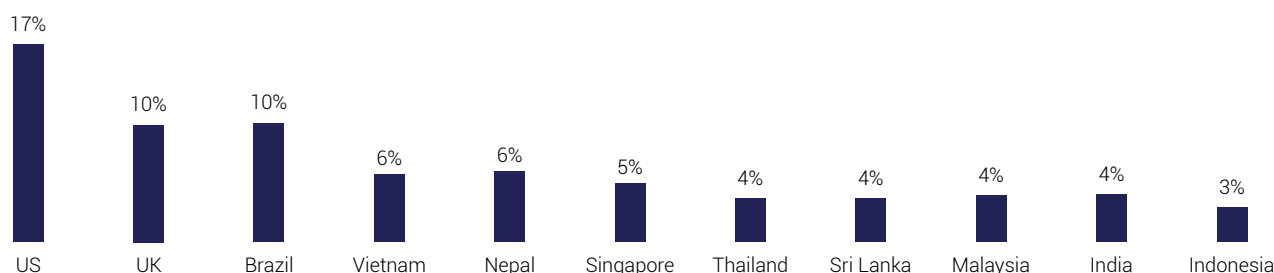
The COVID-19 pandemic and its adverse implications resulted in a significant transformation in the global healthcare ecosystem. Due to the rising demand for effective treatment, an uptick in healthcare related digital technologies and in-home services was witnessed, leading to the evolution of an array of solutions comprising e-pharmacies, teleconsultation, e-diagnostics, chronic care, elder care and others. Therefore, these services now account for 10% of the entire healthcare industry.

Source: Praxis Global Alliance, RedSeer and Internal

The demand for healthcare services in India is expected to remain strong on the back of:

- Lower healthcare spend: India healthcare spend is 3.8% of GDP vs 17% in case of US. This works out to be USD 73 per person annually on health care vs USD 10,600 in case of US.

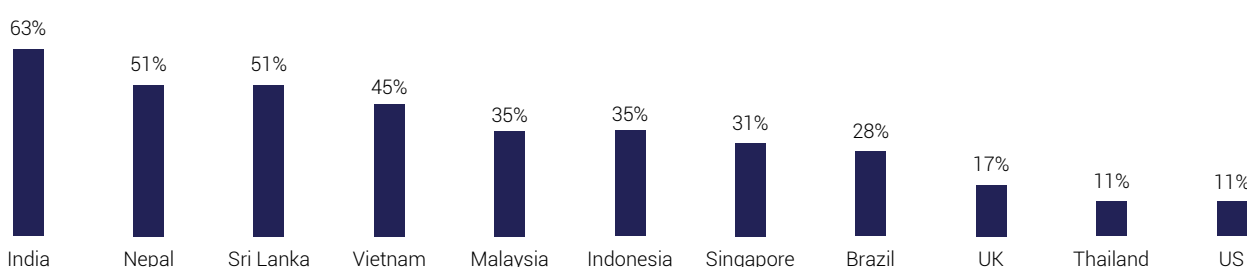
Healthcare expenditure (% of GDP)



Source: PL Equity Research on Indian Healthcare and Crisil Research

- Higher out of pocket expense: Limited penetration of health insurance has led to 'out-of-pocket' expenditure accounting for ~63% of total healthcare compared to global average of 22%.

Out-of-pocket expenses as % of Healthcare expenditure



Source: PL Equity Research on Indian Healthcare and Crisil Research

- Government push for healthcare: The government is also giving impetus to Healthtech adoption through various schemes. The rollout of the Pradhan Mantri Digital Health Mission is one example, which will create a unique digital health ID to provide a one-stop access to all health records. Programmes like 'Ayushman Bharat Digital Mission' are further encouraging an integrated digital health infrastructure that will increase penetration of healthcare services not only in larger cities but also in Tier 2 and Tier 3 cities.

As a result, the industry is poised to grow at a 15-17% CAGR driven by ageing population, burgeoning lifestyle diseases, rising affordability which in turn drives quality healthcare and improved health insurance penetration. With ease of convenience of digital healthcare solutions, the market for wellness, outpatient and care services would expand at a CAGR of 17%–18%.

Source: PL Equity Research on Indian Healthcare, Praxis Global Alliance, RedSeer and Internal

BUSINESS OUTLOOK

The current financial landscape, with rising incomes, increasing financial-savviness of customers and greater retail participation has benefited IIFL Securities Limited's ("IIFL Securities" or "the Company") financial products distribution division. Recognising this opportunity, the Company is diversifying revenues with a greater focus on the distribution

business, building an AUM-led model and acquiring more clients (particularly in the HNI/affluent segment).

The Company has revised its strategy to concentrate on affluent customers in accordance with the re-organisation plan approved by its Board of Directors. Under the reorganising scheme, the Board of Directors approved the transfer of IIFL Securities' Online Retail Trading Business to 5paisa Capital Limited, which is subject to regulatory and shareholders' approvals.

To grow and grow more profitably with this pivot in the business model, the Company is adapting the organisation structure to effectively cater to different customer segments – high-volume traders, digital customers, affluent customers. The Company is strengthening its financial product offerings to attract customers with tailored solutions, pitching the right product at the right time.

With customers increasingly preferring a digital-first experience, the Company's technology-based platforms have worked to enable self-service and partner-serviced operations while also offering a bigger base for cross-selling financial products.

The Company has a strong Pan India distribution network supported by its branches and Authorised Persons and plan to leverage them to penetrate further in Tier 2 and Tier 3 cities.

Further, to enable its people to bring the best to customers, the Company is investing in capability building as well as cutting-edge technology and data-backed solutions for its sales leadership, relationship managers and Authorised Persons.



The global asset allocators are increasingly looking to raise their direct India exposure by giving out money management mandates to India dedicated funds, this plus the steady inflows for the domestic funds, augurs very well for the Company's Institutional equities business.

Outlook for the Investment Banking business of the Company also looks very strong, given the pipeline of differentiated multi sector companies looking to go public along with the engagement in a number of private equity and other capital market transactions which are in various stages of execution.

The Company has strengthened its team both in research as well as investment banking which shall hold it in good stead going ahead. Technology upgradation continues to remain a key work in progress and the Company will be able to tap new streams of business from this effort.

REGULATORY DEVELOPMENTS

The Regulatory framework of the Indian Capital Market has been continuously evolving to strengthen the corporate governance and protect the interest of investors. Some of the important regulatory developments are provided below:

1. SEBI has designated certain stock brokers, having regard to their size and scale of operations, likely impact on investors and securities market, as well as governance and service standards, as Qualified Stock Brokers (QSBs). QSBs shall be required to meet enhanced obligations and discharge responsibilities to ensure appropriate governance structure, risk management policy and processes, scalable infrastructure and appropriate technical capacity, framework for orderly winding down, robust cyber security framework and investor services including online Complaint redressal mechanism. The Company is also classified as one of the QSBs and the SEBI mandate is effective from July 01, 2023;
 2. SEBI in partial modification to rules of settlement of client funds and to ensure uniformity has decided that running account settlement to be carried out on first Friday of the Month/ Quarter as per client's preference and if such Friday is a trading holiday, then such settlement shall happen on the previous trading day;
 3. To mitigate the misuse of "Power of Attorney" (PoA) executed by a client in favour of stock broker and to make the process more transparent and simpler, SEBI introduced execution of 'Demat Debit and Pledge Instruction' (DDPI) for transfer of securities towards stock exchange related deliveries / settlement obligations arising out of trades by a client and pledging / repledging of securities in favour of the trading/ clearing member for the purpose of meeting margin requirements of the client, etc;
 4. SEBI introduced a new Regulation regarding the segregation of margin, in the form of cash and collateral, at client level, which was earlier being done at the broker level. This Regulation built new guardrails to secure client funds and eliminate any chance of misappropriation of client money. The said circular proposed clients to bring in at least 50% of their margins in the form of cash while the balance can be in the form of collateral. The circular, also allows brokers to apportion a part of their proprietary funds towards fulfilling the 50% cash margin requirement at client level;
 5. In order to further insulate clients' funds, SEBI in its recently concluded board meeting approved two proposals:
 - a) Introduction of Application Supported by Blocked Amount (ASBA) like facility for secondary market;
 - b) Upstreaming of clients' funds by stock brokers / clearing members to clearing corporations.
- While ASBA framework is optional for both the client and stock broker to offer, it will be implemented in a phased manner. Upstreaming of clients' funds will be implemented in two phases starting from 1st July 2023. Under the approved framework, funds shall be upstreamed only in the form of cash, lien on Fixed Deposit Receipts (subject to certain conditions) or pledge of units of Mutual Fund Overnight Schemes;
6. SEBI amended the provisions of 'SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2018 ("SEBI ICDR Regulations"), wherein it introduced the concept of 'confidential pre-filing of IPO documents'. Under this mechanism, the information in the 'Draft Red Herring Prospectus' ('DRHP') will be made available only to SEBI and the stock exchanges, thereby allowing the potential IPO-bound companies to keep their business-sensitive information private and away from their competitors;
 7. SEBI has amended SEBI ICDR Regulations to introduce monitoring of utilisation of issue proceeds raised through preferential issues and qualified institutions placement (QIP), with credit rating agencies as monitoring agencies, for issues of size above ₹ 1 billion. This will enable shareholders to stay abreast of and keep a track on the status of the utilisation of funds raised by the company as against the disclosed objective of utilisation of funds.

COMPANY OVERVIEW

IIFL Securities has a legacy of over two decades led by visionary promoters having a deep understanding and experience in the financial industry. The Company is one of India's leading independent stock brokerage firms, offering a wide variety of services to retail and institutional clients.

The Company has established itself through a combination of leading-edge technology, diverse product offerings, management expertise and a wide network of branches across India. It is committed to provide the highest level of

service and support and building a long-term relationship based on trust, transparency and integrity to its clients. The Company excel in research-driven insights that are backed by best-in-class technology to fulfil the requirements of its clients.

The Company constantly upgrades its understanding of the financial goals, risk appetite, investment preferences of its clients to cater to their specific needs. The Company provides a comprehensive plethora of brokerage services, including equity, commodities and currency broking, depository participation services, mutual fund distribution, portfolio management services, etc. It also helps its client in achieving its financial needs and planning like Retirement, Succession, Estate, etc. It caters to an extensive clientele, including Gen Z and young millennials, corporates, Foreign Institutional Investors, Domestic Institutional Investors, insurance companies, banks, pension funds, alternative investment funds, trusts, HNIs, Non Resident Individuals (NRI) and other retail consumers.

The Company forms one of the major institutional broking franchises in India with robust research capabilities. The research team covers 262+ stocks across a wide range of sectors and market caps. As of March 31, 2023, the combined market cap of stocks under coverage was about USD 2.4 trillion.

The Company also provides Investment Banking services to corporate and institutional clients and has evolved as a leading domestic investment banker in recent years, engaging in a number of significant Initial Public Offerings and Qualified Institutional Placements.

Strengths of the Company:

Strong brand name:

With the legacy of being part of IIFL Group since 1996 and with a strong reputation and customer centric approach IIFL Securities has established itself as a trusted and reliable player in the industry.

Focus on HNI segment:

Focusing on the high-net-worth individuals and affluent segment offers an opportunity to the Company to tap into a market with greater purchasing power, leading to increased profitability and higher returns on investment. By catering to the specific needs and preferences of HNIs and affluent individuals, the Company can build strong customer loyalty, fostering long-term relationships and reputation.

One- stop-shop for all financial needs:

The Company provides access to different asset classes like equities, fixed income, commodities, currencies, derivatives, mutual funds, alternative investments, portfolio management services, etc. catering to varied investment preferences and risk appetites. Through comprehensive research, risk management, compliance and education, the Company strives to optimise portfolio performance and help clients achieve their investment objectives.

Digital Offerings:

The Company's digital offering encompasses online trading platforms, research tools and account management features that enable the clients to execute trades, access market information and monitor their portfolios electronically. These offerings often include educational resources and customer support channels to assist the clients in making informed decisions and addressing their queries.

Presence across 2,000+ towns and cities:

Having a PAN India presence provides the Company with expanded market access and helps to reach clients and markets throughout the country. Additionally, a nationwide presence enhances brand visibility, builds trust and enables the Company to tap into the local expertise, establish partnerships, attract talent, ensure regulatory compliance and lay the foundation for scalability and future growth.

Strong Risk Management:

Strong and effective risk management helps the Company to mitigate financial losses, ensure regulatory compliance and enhance client confidence. By identifying and addressing potential risks, the Company safeguards its reputation, improves operational efficiency and capitalise on opportunities. Effective risk management practices enable the Company to navigate market uncertainties, protect client investments and maintain a competitive edge in the industry.

OPPORTUNITIES:

Highly under penetrated market:

Emerging markets in developing countries present a highly underpenetrated market for the broking industry. Factors such as low financial literacy, limited access to financial services and a growing middle class contribute to this untapped potential. By leveraging technology, providing education and tailoring its offerings to local needs, the Company can enter these markets, expand its customer base and contribute to the development of financial markets in these regions.

Leveraging technology to enable best practices and processes:

The Company recognise the immense potential of leveraging technology to enable the implementation of best practices and optimised processes. This presents a valuable opportunity for the Company to enhance customer experiences, introduce innovative features that contribute to the clients' financial success and ultimately improve the revenues. Furthermore, the automation of various operational processes can significantly reduce costs, leading to increased efficiency and profitability. By embracing this technological opportunity, the Company can position itself at the forefront of the industry and drive sustainable growth.

Evolving regulatory reforms:

Regulatory reforms in the stock broking industry can be positive for incumbents by enhancing trust, credibility and market stability. Compliance with reforms can create



a competitive barrier for new entrants, as incumbents demonstrate their commitment to best practices and regulatory standards. Moreover, regulatory changes can drive innovation, operational efficiencies and closer collaboration with regulators, enabling incumbents to adapt, differentiate themselves and strengthen their market position.

THREATS

Cyber Security related threats:

Cyber Security poses a significant threat with potential risks including data breaches, financial losses, service disruptions and regulatory consequences. Breaches can compromise sensitive client information, disrupt trading operations and undermine market integrity.

Increased competition:

With accelerated growth in new investors' participation in the equity market in the past two years, there has been an influx of new brokers in the industry. This will have an impact on the margin of the existing players.

Global Economic Slowdown:

Global economic slowdown will have a negative impact on the macro environment. It may also lead to reduced liquidity which may impact the industry's growth rate.

OPERATIONAL REVIEW

The Company registered consolidated revenue growth of 4% to ₹ 13,704 million for FY23 as compared to ₹ 13,164 million for FY22. Consolidated Profit for the period (TCI) reduced by 19% to ₹ 2,480 million in FY23 as compared to ₹ 3,057 million in FY22.

The Companies distribution business revenue grew by 15% to ₹ 2,436 million in FY23 from ₹ 2,119 million in FY22, which was a significant breakout from the trajectory of past few years. Scaling of Distribution business has helped increase diversification of revenue stream. The healthy growth in the distribution business was led by growth in major product categories like Life Insurance premium which grew from ₹ 1,880 million in FY22 to ₹ 2,788 million in FY23 up 48%, AIF AUM increased from ₹24.0 billion in FY22 to ₹ 31.6 billion in FY23 up 32% and PMS AUM increased from ₹ 11.2 billion in FY22 to ₹ 15.6 billion in FY23 up 39% on YoY basis.

The Company completed 29 transactions, comprising 12 Initial Public Offers, 3 Qualified Institutional Placements, 6 debt transactions and number of advisory transactions, buybacks, offer for sale and open offers during the year.

FINANCIAL PERFORMANCE

₹ in Million

Particulars	Year Ended	
	March 31, 2023 Audited	March 31, 2022 Audited
1. Income		
a. Interest Income	2,024.9	1,794.1
b. Rental income	173.1	159.8
c. Fees and commission Income	11,322.8	10,369.3
Total Revenue from operations (a)+(b)+(c)	13,520.8	12,323.3
2. Other Income	183.0	840.8
3. Total Revenue (1+2)	13,703.9	13,164.1
4. Expenses		
a. Employee benefits expense	3,581.3	3,240.6
b. Finance Cost	755.5	1,015.3
c. Depreciation and amortisation expense	668.4	634.6
d. Fees and commission expense	2,738.7	2,103.6
e. Administration and other expense	2,551.2	2,150.5
Total Expenses (a+b+c+d+e)	10,295.1	9,144.5
5. Profit before share of profit/(loss) of joint venture, exceptional items and tax (3-4)	3,408.7	4,019.6
6. Share of profit/(loss) of associates and joint ventures	-	1.5
7. Profit before tax (5+6)	3,408.7	4,021.0
8. Tax Expenses		
a. Current Tax	969.3	998.3
b. Deferred Tax	(56.1)	(22.9)
c. Tax adjustment for prior years	(2.7)	(12.6)
Total Tax Expenses (a+b+c)	910.6	962.7
9. Profit for the period (7-8)	2,498.1	3,058.3

Income

Revenue from operations

The Company's revenue from operations consists mainly of Retail & institutional brokerage, investment banking and distribution income across several asset classes.

Interest Income

Interest income accounts for 14.8% of the Company's consolidated total income. Interest income grew by 12.9% y-o-y to ₹ 2,025 million in FY23 from ₹ 1,794 million in FY22 due to increase in the client funding book and the interest earned on fixed deposits placed with stock exchanges.

Brokerage & related income

Brokerage & related income increased from ₹ 6,747 million for FY22 to ₹ 7,600 million for FY23, increased by 12.6%. Average Daily Turnover (ADTO) has increased from ₹ 787 billion in FY22 to ₹ 1,536 billion in FY23 increased by 95%.

Investment Banking Income

Due to lower IPO participation in the primary market in FY23 vis-a-vis FY22 the company has witnessed a fall in revenue from ₹ 1,504 million in FY22 to ₹ 1,287 million in FY23, however the Company has diversified the business beyond Equity Capital Market (ECM) with the private equity practice which is gaining momentum.

Financial Products Distribution Income

Financial Products Distribution (FPD) Income accounts for 17.8% of the consolidated total income. Revenue from FPD has increased by 14.9% mainly due to increased focused on acquiring new relationships in affluent segment. Company FPD Assets Under Management (AUM) has increased from ₹ 170 billion in FY22 to ₹196 billion in FY23.

Other Income

Other revenue is primarily comprised of investment income, interest income on inter-corporate deposits placed and income tax refunds, profit resulting from the change in fair value of investments and profit on sale on Property. Other income declined during the year mainly due to mark to market losses and redemption of investment.

Expenses

Finance costs

Finance costs include interest on borrowings & debt securities and other financial expenses such as bank guarantee commissions. Finance costs declined during the year borrowings was reduced.

Fees and commission expense

Fees and commission expenses consist of sub-brokerage fees & referral fees and other related expenses. The fee and commission expenses for FY23 amounted to ₹ 2,739 million, an increase of 30.2% y-o-y, mostly due to higher payouts resulted from an increase in authorised person revenues.

Employee benefits expense

Employee benefit expenses consist of salaries and wages, contributions to provident and other funds, shared-based payments, staff welfare expenses, leave encashment and gratuities. The employee cost has increased during the year mostly due to increased headcount and variable pay compared to previous year.

Depreciation, amortisation and impairment

Depreciation, amortisation and impairment expenses consists of depreciation of property, plant and equipment as well as amortisation of intangible assets.

Other Expenses

The significant proportion of the Company's other expenses are comprised of marketing, advertising and commission expenses, communication expenses, legal and professional charges, office expenses, electricity charges, rates and taxes, technology expenses and transportation and conveyance expenses. Other expenses increased by 18.6%, as compared to the previous year.

Liquidity and Capital Resources

The company constantly maintained liquidity through cash from operations and bank borrowings. Cash, bank balances and fixed deposits totaled ₹ 1,694 million as of 31st March 2023. In order to meet its future capital expenditure requirements as well as sustain the Company's growth momentum, IIFL Securities has adequate working capital and operating cash flows.

Segment-wise Performance (₹ in million)

Segments	₹ in Million			
	For the year ended March 31, 2023		For the year ended March 31, 2022	
	Segment Revenue	Segment Results	Segment Revenue	Segment Results
Capital market activity	12,401.6	3,187.0	11,158.7	3,129.1
Insurance Broking and ancillary	980.2	217.9	545.2	236.8
Facilities and ancillary	826.5	3.9	2,000.1	655.1
Less: Inter Segment Revenue/unallocated	(504.5)	-	(540.0)	-
Total	13,703.9	3,408.7	13,164.1	4,021.0



Revenue from capital market activity increased from ₹11,159 million for FY22 to ₹ 12,402 million for FY23, an increase of 11% y-o-y. This was primarily driven by the growth in broking and distribution businesses. However, the Company has witnessed fall in Investment Banking Income due to slow down in primary market.

Revenue from Insurance broking and ancillary segment increased from ₹ 545 million for FY22 to ₹ 980 million for FY23, an increase of 80% y-o-y. Our Life Insurance premium grew from ₹ 816 million for FY22 to ₹ 1,588 million for FY23 and Health Insurance from ₹ 1,064 million for FY22 to ₹ 1,200 million in FY 23.

Revenue from facilities and ancillary segment has declined from ₹ 2,000 million for FY22 to ₹ 827 million for FY23.

KEY FINANCIAL RATIOS

Details of significant changes in key financial ratios (i.e. change of 25% or more as compared to the immediately previous financial year)

Key Ratios	FY23	FY22	Variance %
Debt/Equity Ratio	0.36	0.51	(30%)
Return on Net Worth	20%	29%	(31%)

Explanation:

1. Debt Equity Ratio – Debt to equity ratio decreased from 0.51 in FY22 to 0.36 in FY23, mainly due to an decrease in borrowings from ₹ 6,070 million in FY22 to ₹ 4,858 million in FY23 and higher shareholder equity from ₹ 11,818 million in FY22 to ₹ 13,498 million in FY23.
2. Return on Net Worth: RONW has decreased mainly on account of declined in profit (PAT) of ₹ 2,498 million in FY23 as compared to ₹ 3,058 million in FY22.

RISK AND CONCERNS

IIFL Securities being a financial services company is exposed to various internal as well as external risks such as Regulatory Risk, Operational Risk, Technology Risk, People Risk, Liquidity Risk etc. which could affect the performance and reputation of the Company. Therefore, effective risk management is essential to address these risks and to mitigate their impact.

Towards this, the Company has established a well-defined Enterprise Risk Management ("ERM") Framework and Policy for identifying, assessing, mitigating and monitoring risks thereby safeguarding clients' assets, maintain its reputation and capitalise on business opportunities.

Please refer the Directors' Report and the Narrative Section for details on the Company's Risk Management framework and Risk and Concerns.

HUMAN RESOURCES

The Company has always prioritised providing its employees with a discrimination-free environment that promotes diversity and inclusion. It acknowledges and operates in a diverse society and it is aware that its employees have diverse characteristics, experiences, requirements and aspirations. It has a robust framework for employee engagement that facilitates the development and retention of a highly motivated team. In an effort to strengthen the Company's journey into the future, it is providing specialised training to its employees in accordance with its mission and strategy. The training and development initiatives of the Company enable employees to acquire the technical and behavioural skills necessary for their professional and personal development.

As of March 31, 2023, the Company employed 1,579 individuals, with women accounting for around 22% of the workforce.

Refer Human Capital section in the Narrative section for further details.

INTERNAL CONTROLS

The internal control systems are adequate and effective to commensurate with the nature and size of the Company's business and operations. The Company ensures strict adherence to all applicable statutes and regulations governing the business operations. Further, the Company has a well-defined processes, guidelines and procedures for having an effective internal control system. These processes are periodically reviewed to ensure that they remain updated with the changes in the business environment and the applicable laws and regulations.

Further, the Company has a well-defined internal audit framework which ensures detailed coverage of the processes and systems needed to safeguard its assets, prevention and detection of errors and frauds, ensure accuracy and completeness of accounting transactions and the timely preparation of reliable financial information. The Internal Auditors' of the Company assess the adequacy of the internal controls procedures and processes and their reports are reviewed by the Audit Committee. Considering the recommendations of the Internal Auditors, requisite actions are undertaken to improve the systems and processes.

CAUTIONARY STATEMENTS

This document contains forward-looking statement and information. Such statements are based on our current expectations and certain assumptions and are therefore, subject to certain risk and uncertainties. Should one or more of these risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary. IIFL Securities Limited does not intend to assume any obligation or update or revise these forward-looking statements in light of developments, which differs from those anticipated.

Democratizing investing

Technological advancements have transformed the capital markets completely, enabling every individual to trade as well as invest within the comfort of his/her zone. Mobile trading has, in fact, literally brought investing to the palms of each investor.



FINANCIAL STATEMENTS

Standalone **167**

Consolidated **234**



Independent Auditor's Report

To the Members of IIFL Securities Limited

Report on the Audit of the Standalone Ind AS financial statements

Opinion

We have audited the standalone Ind AS financial statements of IIFL Securities Limited, which comprise Balance Sheet as at March 31, 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 profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

Key Audit Matter

Information technology (IT) systems used in financial reporting process.

The company's operational and financial processes are dependent on IT systems due to large volume of transactions that are processed daily.

We therefore identified IT systems and controls over financial reporting as a key audit matter for the Company.

Response to Key Audit Matter

We obtained an understanding of the Company's IT control environment relevant to the audit.

We tested the design, implementation and operating effectiveness of the Company's General IT controls over the key IT systems which are critical to financial reporting.

We also tested key automated and manual controls and logic for system generated reports relevant to the audit that would materially impact the financial statements.

In addition to above, we have also relied on the work of the internal auditors and system auditors.

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

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

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

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

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

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

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

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its managing director during the year is in accordance with the provisions of section 197 of the Act.
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note No 30 of the financial statements;
 - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses- Refer Note No 41(3) of the financial statements;
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company- Refer Note No 41(4) of the financial statements;
 - (iv) (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries - Refer Note No 41(1) of the financial statements;
 - (b) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries - Refer Note No 41(2) of the financial statements; and
 - (c) In our opinion and based on the audit procedures, we have considered reasonable and appropriate in the circumstances; nothing has come to our notice that has caused us to believe that the representations under

sub-clause (a) and (b) contain any material misstatement.

- (v) The interim dividend declared and paid by the Company during the year and until the date of this report is in compliance with Section 123 of the Act;
- (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)

(M.No.107022)

Place: Mumbai
Date: April 24, 2023

UDIN: 23107022BGXGSG4223



Annexure A

to the Independent Auditor's Report

Annexure referred to in our report of even date to the members of IIFL Securities Limited on the accounts for the year ended March 31, 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 has maintained proper records showing full particulars of intangible assets.
- (b) As explained to us, the company has a phased programme of verification of fixed assets once in 3 years which in our opinion is reasonable considering the size of the company and nature of its fixed assets. Based on the information and the explanation given to us and on verification of the records of the Company, no material discrepancies were observed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties which are freehold and disclosed in the financial statements are held in the name of the Company.
- (d) According to the information and explanation given to us and records of the Company examined by us, the Company has not revalued its Property Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to the information and explanation given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act 1988 (45 of 1988) and rules made thereunder and accordingly, the requirements of paragraph 3(i)(e) of the Order are not applicable to the Company.
- (ii) (a) The Company is not carrying on any trading or manufacturing activity. Therefore Para 3(ii)(a) of the Order is not applicable to the Company.
- (b) In our opinion and according to the information and explanation given to us and records of the Company examined by us, the Company has availed working capital limits from Banks on the basis of security of current assets. The quarterly returns or statements filed by the Company with the banks are generally in agreement with the books of accounts of the Company.
- (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: -
- The Company has granted unsecured loans to subsidiary Companies, during the year: -
- (a) According to the information and explanations given to us and records of the Company examined by us, the Company has provided loans aggregating to ₹ 2350.00 Millions during the year to subsidiary companies and balance due as at March 31, 2023 is ₹ 45.00 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.
- (d) In respect of loan granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.
- (e) According to the information and explanations given to us and based on our verification of the records, no loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loan granted to settle the overdue of existing loan given to same parties.
- (f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable.
- (iv) According to the information and explanations given to us and records of the Company examined by us, the company has complied with the provisions of section 185 and 186 of the Act with respect to the loans, investments, guarantees and securities made as applicable.
- (v) According to the information and explanations given to us and based on our verification of the records, the Company has not accepted any deposits from the public, within the meaning of Section 73 to 76 or any other relevant provisions of the Act and Rules framed thereunder. We are further informed that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or other tribunal.

- (vi) According to the information and explanations given to us, in respect of the class of industry the company falls under, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act. Therefore, paragraph 3(vi) of the Order is not applicable to the Company.
- (vii) (a) According to the information and explanations given to us and based on our verification of the records of the Company, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees state insurance, income tax, service tax, sales tax, value added tax, goods and services tax, cess and other statutory dues as applicable to the Company with the appropriate authorities. Further as explained to us, there are no undisputed statutory dues outstanding for more than six months as at March 31, 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 cases of non-deposit of disputed dues of sales tax or goods and services tax or duty of customs or duty of excise. However, according to the information and explanations given to us, the following dues of service tax and income tax has not been deposited by the Company on account of dispute:

Nature of the Statute	Nature of the Dispute	Amount of Tax (₹ in Millions)	Period to which amount relates	Forum where dispute is pending
Service Tax, 1994	Service Tax on Delayed Payment Charges	₹ 320.23 Outstanding out of total demand of ₹ 327.98.	01.04.2014 to 31.03.2016	CESTAT
Service Tax, 1994	Service Tax on FII – Brokerage	₹ 133.10 Outstanding out of total demand of ₹ 137.04.	01.04.2014 to 30.09.2014	CESTAT
Income Tax Act, 1961	Income Tax	₹ Nil Outstanding out of total demand of ₹ 22.41.	Financial Year 2013-14	CIT (Appeal)
Income Tax Act, 1961	Income Tax	₹ 37.13 Outstanding out of total demand of ₹ 46.42.	Financial Year 2015-16	CIT (Appeal)
Income Tax Act, 1961	Income Tax	₹ 49.79 Outstanding out of total demand of ₹ 107.13.	Financial Year 2018-19	Assessing Officer
Income Tax Act, 1961	Income Tax	₹ NIL Outstanding out of total demand of ₹ 9.51.	Financial Year 2019-20	CIT (Appeal)
Income Tax Act, 1961	Income Tax	₹ 75.84 Outstanding out of total demand of ₹ 87.18.	Financial Year 2020-21	CIT (Appeal)

- (viii) In our opinion and according to the information and explanation given to us and records of the Company examined by us, in respect of tax assessments made under the Income Tax Act, 1961, there are no transactions which have been surrendered or disclosed as income by the Company. Accordingly, there are no previously unrecorded income and related assets which have been accounted in the books of account during the year.
- (ix) According to information and explanation given to us and records of the Company examined by us,
- a. the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- b. and on the basis of our audit procedures, we report that the Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- c. In our opinion, the Company has utilized the money obtained by way of term loans during the year for the purpose for which they were obtained.
- d. And based on the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used long-term purposes by the Company.
- e. the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, and it's associate and hence reporting on clause 3(ix)(e) of the Order not applicable.
- f. the Company has not raised any loans during the year on pledge of securities held in its subsidiaries, and it's associate and hence reporting on clause 3(ix)(f) of the Order not applicable.
- (x) (a) In our opinion and according to the information and explanation given to us and records of the Company examined by us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under the clause 3(x)(a) is not applicable.



- (b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year and hence reporting under the clause 3(x)(b) is not applicable.
- (xi) (a) Based upon the audit procedures performed and information and explanations given by the management, we have not come across any instances of fraud by the Company or on the Company during the year.
- (b) We have not filed Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government since we have not come across any instances of fraud by the Company or on the Company during the year.
- (c) The Company has a whistle blower policy system in place and according to the information and explanation received, no complaints have been received by the Company during the year (and up to the date of this report).
- (xii) In our Opinion and according to the information and explanations given to us, the Company is not a Nidhi Company and hence clause (xii) of the order is not applicable to the Company.
- (xiii) According to the information and explanation given to us and based on verification of the records and approvals of the Audit Committee, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc, as required by the applicable accounting standards.
- (xiv) (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business;
- (b) We have considered the internal audit reports for the year under audit, issued to the Company and till date, in determining the nature, timing and extent of our audit procedures.
- (xv) In our opinion and according to the information and explanations given to us and records examined by us, the Company has not entered into any non-cash transactions with Directors or persons connected with him during the year.
- (xvi) (a) In our opinion and according to information and explanation given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Hence reporting under clause 3 (xvi)(a), (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 not incurred any cash losses in the financial year and also in the immediately preceding financial year.
- (xviii) There has been no resignation of statutory auditors during the year and accordingly the requirements of Clause 3(xviii) of the Order not applicable to the Company.
- (xix) In our opinion and on the basis of examination of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the balance sheet date as and when they fall due within a period of one year from the balance sheet date. We however state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) According to information and explanation given to us and records examined by us, the Company does not have other than ongoing projects. Hence reporting under clause 3(xx)(a) of the Order is not applicable.
- (b) According to information and explanation given to us and records examined by us, in respect of ongoing projects, the Company does not have any unspent Corporate Social Responsibility (CSR) amount. Hence reporting under clause 3(xx)(b) of the Order is not applicable.

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

(S Nagabushanam)
(M.No.107022)

Place: Mumbai
Date: April 24, 2023

UDIN: 23107022BGXGSG4223

Annexure B

to the Independent Auditor's Report

Annexure referred to in our report of even date to the members of IIFL Securities Limited on the standalone accounts for the year ended March 31, 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 Securities 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)
(M.No.107022)

Place: Mumbai
Date: April 24, 2023

UDIN: 23107022BGXGSG4223

Standalone Balance Sheet

as at March 31, 2023

Particulars	Note No.	(₹ in Million)	
		As at March 31, 2023	As at March 31, 2022
ASSETS			
(1) Financial Assets			
(a) Cash and cash equivalents	3	1,383.15	10,731.86
(b) Bank Balance other than (a) above	4	26,634.42	26,182.50
(c) Receivables			
(I) Trade receivables	5	184.43	226.79
(II) Other receivables	5	114.82	103.68
(d) Loans	6	4,950.86	4,884.24
(e) Investments	7	1,090.62	1,574.18
(f) Other financial assets	8	11,932.95	9,607.47
Sub-total		46,291.25	53,310.72
(2) Non-Financial Assets			
(a) Current tax assets		204.31	178.50
(b) Deferred tax assets (net)	9	193.58	174.27
(c) Property, Plant and Equipment	10	99.69	129.66
(d) Capital work-in-progress	10	6.49	10.99
(e) Other intangible assets	10	718.52	928.64
(f) Right-of-use assets	11	280.84	547.76
(g) Other non-financial assets	12	253.15	110.42
Sub-total		1,756.58	2,080.24
Total Assets		48,047.83	55,390.96
LIABILITIES AND EQUITY			
LIABILITIES			
(1) Financial Liabilities			
(a) Payables			
(I) Trade payables			
(i) Total outstanding dues of micro enterprises and small enterprises		-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	13	16.96	9.62
(II) Other payables			
(i) Total outstanding dues of micro enterprises and small enterprises		-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	13	676.62	829.88
(b) Borrowings (Other than debt securities)	14	3,079.59	3,362.89
(c) Other financial liabilities	15	32,324.43	41,208.03
Sub-total		36,097.60	45,410.42
(2) Non-Financial Liabilities			
(a) Current tax liabilities		39.85	122.17
(b) Provisions	16	56.82	57.76
(c) Other non-financial liabilities	17	351.13	308.53
Sub-total		447.80	488.46
(3) Equity			
(a) Equity share capital	18	611.06	607.87
(b) Other equity	19	10,891.37	8,884.21
Sub-total		11,502.43	9,492.08
Total Liabilities and Equity		48,047.83	55,390.96

See accompanying notes forming part of Standalone Financial statements

1 - 42

As per our attached report of even date

For V Sankar Aiyar & Co.

Chartered Accountants
Firm's Registration No.109208W

S. Nagabushanam

Partner
Membership No.: 107022

Place : Mumbai

Dated : April 24, 2023

For and on behalf of Board of Directors
R. Venkataraman

Chairman and Managing Director
(DIN: 00011919)

Ronak Gandhi

Chief Financial Officer

Narendra Jain

Whole Time Director
(DIN: 01984467)

Meghal Shah

Company Secretary



Standalone Statement of Profit and Loss

for the year ended March 31, 2023

(₹ in Million)

Particulars	Note No.	For the year ended March 31, 2023	For the year ended March 31, 2022
1. Revenue from operations			
(a) Interest income	20	2,024.82	981.51
(b) Fees and commission income	21	10,187.37	9,623.31
Total revenue from operations (a+b)		12,212.19	10,604.82
2. Other income	22	478.12	900.38
3. Total income (1+2)		12,690.31	11,505.20
4. Expenses			
(a) Finance costs	23	598.52	343.42
(b) Fees and commission expense	24	2,644.81	2,115.93
(c) Employee benefits expenses	25	3,126.73	2,963.81
(d) Depreciation, amortization and impairment	26	599.89	643.09
(e) Other expenses	27	2,054.89	1,851.25
Total expenses (a+b+c+d+e)		9,024.84	7,917.50
5. Profit before tax (3-4)		3,665.47	3,587.70
6. Tax Expense:			
(a) Current Tax	28	848.43	761.31
(b) Deferred Tax	28	(13.99)	(1.03)
(c) Short/(excess)	28	(3.28)	(13.70)
Total Tax Expenses (a+b+c)		831.16	746.58
7. Profit for the period (5-6)		2,834.31	2,841.12
8. Other Comprehensive Income			
(A)			
(i) Items that will not be reclassified to profit or (loss)			
a) Remeasurements of the defined benefit plans		(21.13)	(3.33)
(ii) Income tax relating to items that will not be reclassified to profit or (loss)		5.32	0.84
Subtotal (A)		(15.81)	(2.49)
(B)			
(i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
Subtotal (B)		-	-
Other Comprehensive Income (A + B)		(15.81)	(2.49)
9. Total Comprehensive Income for the Year (7+8)		2,818.50	2,838.63
Earnings per equity share			
Basic (in ₹)	29	9.31	9.37
Diluted (in ₹)	29	9.24	9.23

See accompanying notes forming part of Standalone Financial statements 1 - 42

As per our attached report of even date

For V Sankar Aiyar & Co.

Chartered Accountants

Firm's Registration No.109208W

S. Nagabushanam

Partner

Membership No.: 107022

Place : Mumbai

Dated : April 24, 2023

For and on behalf of Board of Directors

R. Venkataraman

Chairman and Managing Director

(DIN: 00011919)

Ronak Gandhi

Chief Financial Officer

Narendra Jain

Whole Time Director

(DIN: 01984467)

Meghal Shah

Company Secretary

Statement of Changes in Equity

for the year ended March 31, 2023

A. Equity share capital

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	(₹ in Million)	No. of Shares	(₹ in Million)
At the beginning of the year	303,936,230	607.87	302,935,330	605.87
Changes in Equity Share Capital due to prior period errors	-	-	-	-
Restated balance at the beginning of the current reporting period	-	-	-	-
Add: Shares issued during the year under ESOP scheme	1,592,736	3.19	1,000,900	2.00
Closing at the end of year	305,528,966	611.06	303,936,230	607.87

B. Other equity

Particulars	Reserves and Surplus				Share options outstanding account	Other items of Comprehensive Income	Total
	Capital Reserve	Capital Redemption reserve	Securities Premium	General Reserve			
Balance as at April 01, 2022	670.91	34.00	1,150.18	5.61	81.34	(10.91)	8,884.21
Changes in accounting policy/prior period errors	-	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period	-	-	-	-	-	-	-
Transfer from/to reserve	-	-	23.62	14.52	(38.14)	-	-
Additions/(deletions) during the year	-	-	53.75	-	49.47	(15.81)	87.41
Total comprehensive income for the year	-	-	-	-	2,834.31	-	2,834.31
Appropriation towards dividend paid	-	-	-	-	(914.56)	-	(914.56)
Balance as at March 31, 2023	670.91	34.00	1,227.55	20.13	92.67	(26.72)	10,891.37

(₹ in Million)



Statement of Changes in Equity (Contd.)

for the year ended March 31, 2023

Particulars	Reserves and Surplus					Share options outstanding account	Other items of Other Comprehensive Income	Total
	Capital Reserve	Capital Redemption reserve	Securities Premium	General Reserve	Retained Earnings			
Balance as at April 01, 2021	670.91	34.00	1,199.16	2.27	5,023.54	46.53	(8.42)	6,967.99
Changes in accounting policy/prior period errors	-	-	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period	-	-	-	-	-	-	-	-
Transfer from/to reserve	-	-	-	3.34	-	(3.34)	-	-
Additions/(deletions) during the year	-	-	34.32	-	-	38.15	-	72.47
Total comprehensive income for the year	-	-	-	-	2,841.12	-	(2.49)	2,838.63
Share issue expenses	-	-	(83.30)	-	-	-	-	(83.30)
Appropriation towards dividend paid	-	-	-	-	(911.58)	-	-	(911.58)
Balance as at March 31, 2022	670.91	34.00	1,150.18	5.61	6,953.08	81.34	(10.91)	8,884.21

See accompanying notes forming part of Standalone Financial statements (1 - 42)

As per our attached report of even date

For V Sankar Aiyar & Co.

Chartered Accountants
Firm's Registration No.109208W

S. Nagabushanam

Partner
Membership No.: 107022

Place : Mumbai
Dated : April 24, 2023

For and on behalf of Board of Directors

R. Venkataraman

Chairman and Managing Director
(DIN: 00011919)

Ronak Gandhi

Chief Financial Officer

Narendra Jain

Whole Time Director
(DIN: 01984467)

Meghal Shah

Company Secretary

Standalone Cash Flow Statement

for the year ended March 31, 2023

(₹ in Million)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Cash flows from operating activities		
Net profit before taxation	3,665.47	3,587.70
Adjustments for:		
Depreciation, amortisation and impairment	599.89	643.09
Interest expenses	598.52	343.42
Net loss/(Gain) on termination of lease	1.38	(4.77)
Dividend income	(427.93)	(479.12)
Provision for gratuity	7.68	(7.41)
Provision for leave encashment	56.82	57.76
Provision for expenses	670.91	801.93
Employee share based payment	49.47	38.15
Interest income	(24.93)	(95.57)
Net loss/(gain) on financial instrument measured at fair value	54.83	(210.74)
Net loss/(gain) on sale of fixed assets	0.19	0.58
Operating Profit Before working capital changes	5,252.30	4,675.02
(Increase)/Decrease in other bank balances	(451.93)	(12,214.50)
(Increase)/Decrease in loan	(66.62)	(3,405.88)
(Increase)/Decrease in trade and other receivables	31.23	35.88
(Increase)/Decrease in other financial assets	(2,354.30)	127.33
(Increase)/Decrease in other non-financial assets	(142.73)	(16.38)
Increase/(Decrease) in trade and other payable	(816.83)	(318.02)
Increase/(Decrease) in other financial liabilities	(8,580.88)	18,812.01
Increase/(Decrease) in provisions	(57.76)	(43.86)
Increase/(Decrease) in other non-financial liabilities	42.60	249.12
Cash (used in) / generated from operations	(7,144.92)	7,900.72
Current tax expense	(953.27)	(653.53)
Net cash (used in) / generated from operating activities (A)	(8,098.19)	7,247.19
Cash flows from investing activities		
Purchase of Fixed Assets	(104.00)	(147.06)
Sale of Fixed Assets	14.81	33.57
Interest income	18.37	80.07
Dividend income	427.93	479.12
(Purchase)/Sale of Current Investments (net)	9.72	8.98
Purchase of Investment	(49.93)	(728.00)
Sale of Investment	475.49	321.26
Net cash generated from investing activities (B)	792.39	47.94
Cash flows from financing activities		
Proceed from issuance of share capital	56.93	36.32
Share issue expenses	-	(83.30)
Dividend paid	(914.56)	(911.58)
Increase/(decrease) in short term borrowings	(283.29)	2,472.85
Repayment of Lease Liabilities	(343.80)	(353.96)
Interest expenses	(558.19)	(286.13)
Net cash (used in) / generated from financing activities (C)	(2,042.91)	874.20
Net (decrease)/increase in cash and cash equivalents (A+B+C)	(9,348.71)	8,169.33
Cash and cash equivalents at the beginning of the year	10,731.86	2,562.53
Cash and cash equivalents at the end of the year	1,383.15	10,731.86

See accompanying notes forming part of Standalone Financial statements (1 - 42)

As per our attached report of even date

For V Sankar Aiyar & Co.

Chartered Accountants
Firm's Registration No.109208W

For and on behalf of Board of Directors
S. Nagabushanam

Partner
Membership No.: 107022

R. Venkataraman

Chairman and Managing Director
(DIN: 00011919)

Narendra Jain

Whole Time Director
(DIN: 01984467)

Place : Mumbai

Dated : April 24, 2023

Ronak Gandhi

Chief Financial Officer

Meghal Shah

Company Secretary



Notes forming part of Standalone Financial Statements

for the year ended March 31, 2023

Note 1. Corporate Information:

IIFL Securities Limited the Company was incorporated on March 21, 1996. The Company is in the services space offering financial services such as equity, currency and commodity broking, depository participant services, merchant banking and distribution of financial product besides holding investments in subsidiaries.

Note: 1.1 Purpose and Basis of Accounting and Preparation of Financial Statements

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

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

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/ or disclosure purposes in these financial statements is determined on such a basis, except for share based payment transactions that are within the scope of Ind AS 102 and measurements that have some similarities to fair value but are not fair value, such value in use.

Fair value measurements under Ind AS are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at measurement date;
- Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the valuation of assets or liabilities.

a) Key Accounting Estimates And Judgements

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

The Company makes certain judgments and estimates for valuation and impairment of financial instruments, fair valuation of employee stock options, useful life of property, plant and equipment, deferred tax assets, retirement benefit obligations and lease arrangements. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable.

b) Statement of compliance

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under Sec 133 of the Companies Act ("the Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter and under the historical cost convention on accrual basis except for certain financial instruments which are measured at fair value (refer accounting policy on financial instruments).

Accordingly, the Company has prepared these Standalone Financial Statements which comprise the Balance Sheet as at 31 March, 2023, the Statement of Profit and Loss for the year ended 31 March 2023, the Statement of Cash Flows for the year ended 31 March 2023 and the Statement of Changes in Equity for the year ended as on that date, and accounting policies and other explanatory information (together hereinafter referred to as 'Standalone Financial Statements' or 'financial statements').

Notes forming part of Standalone Financial Statements

for the year ended March 31, 2023 (Contd.)

c) Basis of Preparation of Standalone financial statements:

These Financial Statements of the Company are presented as per Schedule III (Division III) of the Companies Act, 2013 applicable to NBFCs, as notified by the Ministry of Corporate Affairs (MCA). The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the Financial Statements along with the other notes required to be disclosed under the notified Accounting Standards.

These Financial Statements of the Company are presented in Indian Rupees (INR) which is also the Company's functional currency.

The Financial Statements are presented in million, except when otherwise indicated. Amount which is less than ₹ 0.01 million is shown as ₹ 0.00 million.

The Standalone financial statements for the year ended March 31, 2023 are being authorized for issue in accordance with a resolution of the directors on April 24, 2023

Note 2. Significant Accounting Policies

a) Business Combinations:

Business combinations (not involving entities under common control) are accounted for using the acquisition method. At the acquisition date, identifiable assets acquired and liabilities assumed are measured at fair value. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition date fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. The consideration transferred is measured at fair value at acquisition date and includes the fair value of any contingent consideration. However, deferred tax asset or liability and any liability or asset relating to employee benefit arrangements arising from a business combination are measured and recognized in accordance with the requirements of Ind AS 12, Income Taxes and Ind AS 19, Employee Benefits, respectively.

Where the consideration transferred exceeds the fair value of the net identifiable assets acquired and liabilities assumed, the excess is recorded as goodwill. Alternatively, in case of a bargain purchase wherein the consideration transferred is lower than the fair value

of the net identifiable assets acquired and liabilities assumed, the difference is accumulated in equity as capital reserve. The costs of acquisition excluding those relating to issue of equity or debt securities are charged to the Statement of Profit and Loss in the period in which they are incurred.

Business combinations involving entities under common control are accounted for using the pooling of interests method. The net assets of the transferor entity or business are accounted at their carrying amounts on the date of the acquisition subject to necessary adjustments required to harmonise accounting policies. Any excess or shortfall of the consideration paid over the share capital of transferor entity or business is recognised as capital reserve under other equity.

b) Goodwill:

Goodwill is an asset representing the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognized. Goodwill is initially measured at cost, being the excess of the consideration transferred over the net identifiable assets acquired and liabilities assumed, measured in accordance with Ind AS 103 – Business Combinations.

Goodwill is considered to have indefinite useful life and hence is not subject to amortization but tested for impairment at least annually. After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination, is from the acquisition date, allocated to each of the Company cash generating units (CGUs) that are expected to benefit from the combination. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. Each CGU or a combination of CGUs to which goodwill is so allocated represents the lowest level at which goodwill is monitored for internal management purpose and it is not larger than an operating segment of the Company.

A CGU to which goodwill is allocated is tested for impairment annually, and whenever there is an indication that the CGU may be impaired, by comparing the carrying amount of the CGU, including the goodwill, with the recoverable amount of the CGU. If the recoverable amount of the CGU exceeds the carrying amount of the CGU, the CGU and the goodwill allocated to that CGU is regarded as not impaired. If the carrying amount of



Notes forming part of Standalone Financial Statements

for the year ended March 31, 2023 (Contd.)

the CGU exceeds the recoverable amount of the CGU, the Company recognizes an impairment loss by first reducing the carrying amount of any goodwill allocated to the CGU and then to other assets of the CGU pro-rata based on the carrying amount of each asset in the CGU. Any impairment loss on goodwill is recognized in the Statement of Profit and Loss. An impairment loss recognized on goodwill is not reversed in subsequent periods.

On disposal of a CGU to which goodwill is allocated, the goodwill associated with the disposed CGU is included in the carrying amount of the CGU when determining the gain or loss on disposal.

c) Property, plant and equipment:

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

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

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

Items such as spare parts, stand-by equipment and servicing equipment that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life. Subsequent expenditure relating to property, plant and equipment is capitalized only when it is probable that future economic benefit associates with these will flow into the Company and the cost of the item can be measured reliably.

Items of Property, plant and equipment that have been retired from active use and are held for disposal are stated at the lower of their net book value or net realisable value and are shown separately in the financial statements.

Gains or losses arising from disposal or retirement of tangible Property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised net, within "Other Income" or "Other Expenses", as the case maybe, in the Statement of Profit and Loss in the year of disposal or retirement.

When the use of a property changes from owner-occupied to investment property, the property is reclassified as investment property as its carrying amount on the date of reclassification.

On transition to Ind AS, the Company has elected to continue with the carrying value for all of its PPE recognized as at April 1, 2017 measured as per the previous GAAP and use that carrying value as the deemed cost of the PPE.

Depreciation:

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

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

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

Derecognition: The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are

Notes forming part of Standalone Financial Statements

for the year ended March 31, 2023 (Contd.)

expected from its use or disposal. The gain or loss arising from the de-recognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognized in the Statement of Profit and Loss when the item is derecognized.

Estimates of useful lives of property, plant and equipment

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

**For these class of assets, based on internal assessment and independent technical evaluation carried out by external valuers the management believes that the useful lives as given above best represent the period over which management expects to use these assets. Hence the useful lives for these assets are different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.*

Depreciation / Amortization is charged on pro-rata on monthly basis on assets, from / upto the month of capitalization / sale, disposal / earmarked for disposal."

Capital work in progress and Capital advances:

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

d) Intangible assets:

Measurement at recognition:

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

Expenditure on software development eligible for capitalisation are carried as Intangible assets under development where such assets are not yet ready for their intended use.

On transition to Ind AS, the Company has elected to continue with the carrying value for all its intangible assets as recognised as at April 1, 2017 measured as per the previous GAAP and use that carrying value as the deemed cost of the Intangible Assets."

Amortization:

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

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

Estimated useful economic life of the assets is as under:

Class of assets	Useful life in years
Software	3
Computers *	5

Derecognition:

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

e) Investment Property

Measurement at recognition:

Investment Property are measured on initial recognition at cost. Transaction costs are included in the initial measurement. The cost of a purchased investment property comprises its purchase price and any directly attributable expenditure. Directly attributable expenditure includes, for example, professional fees for legal services, property transfer taxes and other transaction costs. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any.



Notes forming part of Standalone Financial Statements

for the year ended March 31, 2023 (Contd.)

Depreciation:

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

Derecognition:

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

The fair values of investment property is disclosed in the notes.”

f) Impairment of Non-Financial Assets:

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

An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit (CGU) exceeds its recoverable amount. The recoverable amount of an asset is the greater of its fair value less cost to sell and value in use. To calculate value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market rates and the risk specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs. Fair value less cost to sell is the best estimate of the amount obtainable

from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the cost of disposal. Impairment losses, if any, are recognized in the Statement of Profit and Loss and included in depreciation and amortization expenses. After impairment (if any), depreciation/ amortisation is provided on the revised carrying amount of the assets over its remaining life.

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

g) Share-based payment arrangements:

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity.

When the terms of an equity-settled award are modified, the minimum expense recognized is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognized for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through the statement of profit and loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.”

Securities premium includes:

- A. The difference between the face value of the equity shares and the consideration received in respect of shares issued pursuant to Stock Option Scheme.
- B. The fair value of the stock options which are treated as expense, if any, in respect of shares allotted pursuant to Stock Options Scheme.

h) Financial Instruments:

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

Notes forming part of Standalone Financial Statements

for the year ended March 31, 2023 (Contd.)

Financial instruments also covers contracts to buy or sell a non-financial item that can be settled net in cash or another financial instrument, or by exchanging financial instruments, as if the contracts were financial instruments, with the exception of contracts that were entered into and continue to be held for the purpose of the receipt or delivery of a non-financial item in accordance with the entity's expected purchase, sale or usage requirements.

Financial assets

Initial recognition and measurement:

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

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



Notes forming part of Standalone Financial Statements

for the year ended March 31, 2023 (Contd.)

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:

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

Debt instruments that meet the following criteria are measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in profit or loss for FVTOCI debt instruments. Other changes in fair value of FVTOCI financial assets are recognised in other comprehensive income. When the investment is disposed of, the cumulative gain or loss

previously accumulated in reserve is transferred to profit or loss."

iii. Investments in equity instruments at FVTOCI:

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

iv. Investments in equity instruments of subsidiaries & associates

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

v. Financial assets measured at FVTPL:

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

Notes forming part of Standalone Financial Statements

for the year ended March 31, 2023 (Contd.)

Reclassifications:

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

Derecognition:

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

- i. The contractual rights to cash flows from the financial asset expires;
- ii. The Company transfers its contractual rights to receive cash flows of the financial asset and has substantially transferred all the risks and rewards of ownership of the financial asset;
- iii. The Company retains the contractual rights to receive cash flows but assumes a contractual obligation to pay the cash flows without material delay to one or more recipients under a 'pass-through' arrangement (thereby substantially transferring all the risks and rewards of ownership of the financial asset);
- iv. The Company neither transfers nor retains, substantially all risk and rewards of ownership, and does not retain control over the financial asset.

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

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

Impairment of financial assets:

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

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

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

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

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

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

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.



Notes forming part of Standalone Financial Statements

for the year ended March 31, 2023 (Contd.)

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

Financial Liabilities and equity:

Initial recognition and measurement:

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

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

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

Subsequent measurement:

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

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

(where appropriate) a shorter period, to the amortised cost of a financial liability."

Equity instruments:

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Derecognition:

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the Derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid is recognized in the Statement of Profit and Loss.

i) Fair Value:

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

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

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

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy that categorizes into three levels, described as follows, the inputs to valuation techniques used to measure value. The fair value

Notes forming part of Standalone Financial Statements

for the year ended March 31, 2023 (Contd.)

hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

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

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

Level 3 – inputs for assets or liabilities that are not based on observable market data.

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

j) Foreign Currency Translation:

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

i. Functional and presentation currencies:

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

ii. Transactions & Balances:

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

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

Non-monetary foreign currency items are carried at cost and accordingly the investments in shares of foreign subsidiaries are expressed in Indian currency at the rate of exchange prevailing at the

time when the original investments are made or fair values determined."

iii) Foreign operations:

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

- assets and liabilities are translated at the closing rate as on that balance sheet date, and
- income and expenses are translated at average exchange rates

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

k) Income Taxes:

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

Current tax:

- i) The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the company operates and generates taxable income.
- ii) Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities.
- iii) Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).
- iv) where there is uncertainty over income tax treatments, the Company determines the probability of the income tax authorities accepting each such tax treatment or group of tax treatments in computing the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

Deferred tax:

Deferred tax is provided using the balancesheet method on temporary differences between the tax bases of assets & liabilities & their carrying amounts for financials



Notes forming part of Standalone Financial Statements

for the year ended March 31, 2023 (Contd.)

reporting purposes as at the reporting date. Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit under Income tax Act, 1961.

Deferred tax liabilities are generally recognized for all taxable temporary differences. However, in case of temporary differences that arise from initial recognition of assets or liabilities in a transaction (other than business combination) that affect neither the taxable profit nor the accounting profit, deferred tax liabilities are not recognized. Also, for temporary differences if any that may arise from initial recognition of goodwill, deferred tax liabilities are not recognized.

Deferred tax assets are generally recognized for all deductible temporary differences to the extent it is probable that taxable profits will be available against which those deductible temporary difference can be utilized. In case of temporary differences that arise from initial recognition of assets or liabilities in a transaction (other than business combination) that affect neither the taxable profit nor the accounting profit, deferred tax assets are not recognized.

The tax effects of income tax losses, available for carry forward, are recognised as deferred tax asset, when it is probable that future taxable profits will be available against which these losses can be set-off.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the benefits of part or all of such deferred tax assets to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Additional taxes that arise from the distribution of dividends by the Company are recognised directly in equity at the same time as the liability to pay the related dividend is recognised

Presentation of current and deferred tax:

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

The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. In case of deferred tax assets and deferred tax liabilities, the same are offset if the Company has a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Company.

I) Provisions and Contingencies:

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

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

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

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote (based on the judgement of the management considering factors including experience with similar matters, past history, precedents, relevant and other evidence and facts specified to the matter), no provision or disclosure is made.

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

Notes forming part of Standalone Financial Statements

for the year ended March 31, 2023 (Contd.)

m) Statement of Cash Flows :

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method adjusting the net profit for the effects of:

- changes during the period in operating receivables and payables transactions of a noncash nature;
- non-cash items such as depreciation, provisions, deferred taxes and unrealised foreign currency gains and losses.
- all other items for which the cash effects are investing or financing cash flows.

Cash and cash equivalents (including bank balances) shown in the Statement of Cash Flows exclude items which are not available for general use as on the date of balance sheet.

n) Cash and Bank Balances:

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value. Cash and bank balances also include fixed deposits, margin money deposits, earmarked balances with banks and other bank balances which have restrictions on repatriation. Short term and liquid investments being subject to more than insignificant risk of change in value, are not included as part of cash and cash equivalents. Cash equivalents that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

o) Revenue Recognition

Revenue from contracts with customers

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

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

Step 1: Identify contract(s) with a customers. A contract is defined as an agreement between two or more parties

that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties

Step 4: Allocate the contract price to the performance obligations in the contract: For contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Company satisfies a performance obligation."

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

Income from services rendered as a broker is recognised upon rendering of the services on a trade date basis, in accordance with the terms of contract. Fees for subscription based services are received periodically but are recognised as earned on a pro-rata basis over the term of the contract. Commissions from distribution of financial products are recognised upon allotment of the securities to the applicant. Commission and fees recognized as aforesaid are exclusive of goods and service tax, securities transaction tax, stamp duties and other levies by SEBI and stock exchanges.

The Company recognised revenue from various activities as follows:

i. Interest Income

Interest income is recognised using effective interest rate by considering all the contractual term of the financial instruments in estimating the cash flow.

ii. Fees & Commission

Fees and commission income is recognised based on five step model set out in Ind AS 115.



Notes forming part of Standalone Financial Statements

for the year ended March 31, 2023 (Contd.)

- Brokerage income earned on secondary market operations is accounted on trade date basis.
- Investment banking, Financial Product Distribution Income in respect of other heads is accounted on accrual basis.

iii. Other operational revenue:

Other operational revenue represents income earned from the activities incidental to the business and is recognised when the right to receive the income is established as per the terms of the contract.

p) Employee Benefits

Short Term Employee Benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognized in the period in which the employee renders the related service. If the company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably. The Company recognizes the undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered as a liability (accrued expense) after deducting any amount already paid.

Post-Employment Benefits:

I. Defined contribution plans:

Defined contribution plans are post-employment benefit plans under which the Company pays fixed contributions into state managed retirement benefit schemes and will have no legal or constructive obligation to pay further contributions, if any, if the state managed funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. The Company contributions to defined contribution plans are recognised in the Statement of Profit and Loss in the financial year to which they relate. The Company and its Indian subsidiaries operate defined contribution plans pertaining to Employee State Insurance Scheme and Government administered Pension Fund Scheme for all applicable employees and the Company operates a Superannuation scheme for eligible employees.

Recognition and measurement of defined contribution plans: The Company recognizes

contribution payable to a defined contribution plan as an expense in the Statement of Profit and Loss when the employees render services to the Company during the reporting period. If the contributions payable for services received from employees before the reporting date exceeds the contributions already paid, the deficit payable is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the reporting date, the excess is recognized as an asset to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund.

II. Defined benefit plans:

Gratuity scheme: The Company, operates a gratuity scheme for employees. The contribution is paid to a separate fund, towards meeting the Gratuity obligations.

Recognition and measurement of defined benefit plans:

The cost of providing defined benefits is determined using the Projected Unit Credit method with actuarial valuations being carried out at each reporting date. The defined benefit obligations recognized in the Balance Sheet represent the present value of the defined benefit obligations as reduced by the fair value of plan assets, if applicable. Any defined benefit asset (negative defined benefit obligations resulting from this calculation) is recognized representing the present value of available refunds and reductions in future contributions to the plan.

All expenses represented by current service cost, past service cost if any and net interest on the defined benefit liability (asset) are recognized in the Statement of Profit and Loss. Re-measurements of the net defined benefit liability (asset) comprising actuarial gains and losses and the return on the plan assets (excluding amounts included in net interest on the net defined benefit liability/asset), are recognized in Other Comprehensive Income. Such re-measurements are not reclassified to the Statement of Profit and Loss in the subsequent periods.

Other Long Term Employee Benefits: Entitlements to annual leave and sick leave are recognized when they accrue to employees. Sick leave can only be availed while annual leave can either be availed or encashed subject to a restriction on the maximum number of accumulation of leave. The Company determines the liability for such accumulated leaves using the Projected Accrued Benefit method with actuarial valuations being carried out at each Balance Sheet date.

Notes forming part of Standalone Financial Statements

for the year ended March 31, 2023 (Contd.)

Other Employee Benefits

Compensated absences which accrue to employees and which can be carried to future periods but are expected to be availed in twelve months immediately following the year in which the employee has rendered service are reported as expenses during the year in which the employees perform the services that the benefit covers and the liabilities are reported at the undiscounted amount of the benefits."

q) Lease accounting :

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

As a Lessee

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

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

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest

rate implicit in the lease or, if that rate cannot be readily determined, Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

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

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

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

Lease liability and the right of use asset have been separately presented in the balance sheet.

Short-term leases and leases of low-value assets

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

As a lessor

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

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or



Notes forming part of Standalone Financial Statements

for the year ended March 31, 2023 (Contd.)

operating lease by reference to the right of use asset arising from the head lease.

r) Goods and Services tax input credit

Goods and Services tax input credit is accounted for in the books in the period in which the supply of goods or service received is accounted and when there is no uncertainty in availing/utilising the credits.

s) Borrowing Cost:

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs, if any, directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized, if any. All other borrowing costs are expensed in the period in which they occur.

t) Earning Per Share:

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

u) Segment Reporting :

The Company's business is to provide capital market services in primary & secondary market. All other activities of the Company are ancillary to the main business. As such, there are no reportable segments that need to be reported separately as defined in Ind AS 108, Operating Segments.

2.2 Key Accounting Estimates and Judgements

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

Critical accounting estimates and assumptions

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

a. Income taxes

The Company tax jurisdiction is India. Significant judgements are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions. Further Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases.

b. Determination of the estimated useful lives of tangible and intangible assets

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technical or commercial obsolescence arising from changes or improvements in production or from a change in market demand of the product or service output of the asset.

c. Defined Benefit Obligation

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds corresponding to the probable maturity of the post-employment benefit obligations. Due to complexities involved in the valuation and its long term nature, defined benefit obligation is sensitive to changes in these assumptions. Further details are disclosed in note no 25.

Notes forming part of Standalone Financial Statements

for the year ended March 31, 2023 (Contd.)

d. Fair value measurement of Financial Instruments

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

e. Impairment of financial assets

The provision for expected credit loss involves estimating the probability of default and loss given default based on the Company own experience & forward looking estimation.

f. Provision for litigations:

In estimating the final outcome of litigation, the Company applies judgment in considering factors including experience with similar matters, past history, precedents, relevant and other evidence and facts specified to the matter. Application of such judgment determines whether the Company requires an accrual or disclosure in the financial statements.

g. Fair valuation of employee share options

The fair valuation of the employee share options is based on the Black-Scholes model used for valuation of options. Key assumptions made with respect to expected volatility includes share price, expected dividends and discount rate, under this option pricing model. Further details are disclosed in note no.- 32.

h. Determining whether an arrangement containing a lease

In determining whether an arrangement is, or contains a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease date if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset, even if that right is not explicitly specified in the arrangement.

i. Discount rate

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



Notes forming part of Standalone Financial Statements

for the year ended March 31, 2023 (Contd.)

NOTE 3 : CASH AND CASH EQUIVALENTS

(₹ in Million)

Particulars	As at March 31, 2023	As at March 31, 2022
Cash on hand	0.69	0.28
Cheques in hand	16.77	43.45
Balances with banks :		
- In current accounts	320.37	271.57
- In client accounts	1,045.32	10,416.56
Total	1,383.15	10,731.86

NOTE 4 : BANK BALANCE OTHER THAN ABOVE

(₹ in Million)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Earmarked Bank Balances - Unclaimed Dividend	2.62	1.70
(b) Lien marked Fixed Deposit with banks*	26,631.80	26,180.80
Total	26,634.42	26,182.50

*Company has pledged fixed deposits with the banks for bank guarantee, overdraft facilities and with the stock exchange for margin/arbitration purpose.

NOTE 5 : RECEIVABLES

(₹ in Million)

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Trade receivables		
- Receivables considered good - unsecured	131.00	145.47
- Receivables which have significant increase in credit risk	59.93	89.13
- Receivables - credit impaired	4.65	0.98
Total (i) Gross	195.58	235.58
- Less : Impairment loss allowance	(11.15)	(8.79)
Total (i) Net	184.43	226.79
(ii) Other receivables		
- Receivables considered good - unsecured	114.82	103.68
Total (ii) Net	114.82	103.68
Total (i+ii)	299.25	330.47

a) No trade or other receivables are due from directors or from other officers of the Company either severally or jointly with any other person nor any trade or other receivables are due from firms or private companies respectively in which any directors is a partner, director or a member as at March 31, 2023 and March 31, 2022.

b) No trade receivables and other receivables are interest bearing.

Trade Receivable ageing schedule

(₹ in Million)

Particulars	Unbilled	Outstanding for following periods from due date of payment as at March 31, 2023					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	114.82	131.00	-	-	-	-	245.82
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	53.16	6.77	-	-	-	59.93
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	4.47	0.18	-	4.65
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-

Notes forming part of Standalone Financial Statements

for the year ended March 31, 2023 (Contd.)

(₹ in Million)

Particulars	Unbilled	Outstanding for following periods from due date of payment as at March 31, 2022					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	103.68	145.47	-	-	-	-	249.15
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	82.61	6.52	-	-	-	89.13
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	0.49	0.49	-	0.98
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-

NOTE 6 : LOANS

(₹ in Million)

Particulars	As at March 31, 2023	As at March 31, 2022
Loan repayable on demand		
Margin trading facility balances*	4,905.86	4,724.24
Loan to related parties	45.00	160.00
Total	4,950.86	4,884.24

* Loans to customers are secured by pledge of securities & shares.

Type of Borrower	As at March 31, 2023		As at March 31, 2022	
	Amount of loan or advance in the nature of loan outstanding	% of the total loans & advances in the nature of loan	Amount of loan or advance in the nature of loan outstanding	% of the total loans & advances in the nature of loan
Promoters	-	-	-	-
Directors	-	-	-	-
KMPs	-	-	-	-
Related Parties	45.00	1%	160.00	3%

NOTE 7 : INVESTMENTS

(₹ in Million)

Particulars	As at March 31, 2023	As at March 31, 2022
I) At cost		
Investment in equity shares of Subsidiaries & Associates		
- IIFL Facilities Services Limited	321.40	321.40
- IIFL Commodities Limited	20.00	20.00
- Livlong Insurance Brokers Limited (Formerly IIFL Insurance Brokers Limited)	43.41	43.41
- IIFL Management Services Limited	10.00	10.00
- IIFL Wealth (UK) Limited	11.20	11.20
- IIFL Capital Inc	40.29	40.29
- Livlong Protection & Wellness Solutions Limited (Formerly IIFL Corporate Services Limited) (Formerly IIFL Asset Reconstruction Limited)	41.93	41.93
- IIFL Securities Services IFSC Limited	5.00	5.00



Notes forming part of Standalone Financial Statements

for the year ended March 31, 2023 (Contd.)

(₹ in Million)

Particulars	As at March 31, 2023	As at March 31, 2022
II) At fair value through profit or loss		
Investment in AIF		
- India Alternative Private Equity Fund - Category II - AIF	48.11	35.43
- IIFL Securities Capital Enhancer Fund	155.66	95.14
- IIFL Securities Dynamic Fund	56.61	50.48
- IIFL Real Estate Fund (Domestic) – Series 2 Category II- AIF	169.66	169.94
Investment in equity shares		
- Bombay Stock Exchange Limited	84.04	184.08
Investment in debt Instruments		
- IIFL Home Finance Limited 8.20 NCD	83.31	83.31
- IIFL-Secured Redeemable Non-Convertible Debentures Market Linked – Series D14	-	462.57
Total - Gross (A)	1,090.62	1,574.18
- Less: Allowance for impairment loss (B)	-	-
Total - Net (C) = (A) - (B)	1,090.62	1,574.18
- Investment outside India	51.49	51.49
- Investment in India	1,039.13	1,522.69
Total Net (C)	1,090.62	1,574.18

NOTE 8 : OTHER FINANCIAL ASSETS

(₹ in Million)

Particulars	As at March 31, 2023	As at March 31, 2022
Clients receivables (net of provision)#	10,275.57	7,900.44
Exchanges receivables	897.00	1,010.72
Interest accrued & not due on deposits and investments	283.73	224.99
Deposit with exchanges	79.00	79.00
Margin with exchanges	58.30	28.33
Gratuity (funded) (Refer note 25)	-	7.41
Security deposit with landlords and others*	269.34	225.64
Receivable from related parties (Refer note 35)	19.30	80.21
Other financial assets	50.71	50.73
Total	11,932.95	9,607.47

Include receivable from directors & key managerial personnel of ₹ 0.00 million (As at March 31, 2022 ₹ 0.02 million) (Refer note 35)

* Include deposit with related party of ₹ 100.70 million (As at March 31, 2022 ₹ 113.40 million) & directors and its relatives of ₹ 50.00 million (As at March 31, 2022 ₹ 50.00 million) (Refer note 35)

Notes forming part of Standalone Financial Statements

for the year ended March 31, 2023 (Contd.)

NOTE 9 : DEFERRED TAX ASSETS (NET)

(₹ in Million)

Particulars	As at March 31, 2023			
	Opening balance	Recognised in profit or loss	Recognised in/reclassified from OCI	Closing balance
Deferred tax assets:				
Depreciation on property, plant and equipment	5.67	13.12	-	18.79
Provisions for doubtful receivables/other financial asset (Including expected credit loss)	127.29	14.57	-	141.86
Lease	16.02	(9.01)	-	7.01
Compensated absences and retirement benefits	13.41	(3.12)	5.32	15.61
Unrealised profit on investments	11.88	(1.57)	-	10.31
Total deferred tax assets	174.27	13.99	5.32	193.58
Deferred tax liabilities:				
Total deferred tax liabilities	-	-	-	-
Deferred tax assets (Net)	174.27	13.99	5.32	193.58

(₹ in Million)

Particulars	As at March 31, 2022			
	Opening balance	Recognised in profit or loss	Recognised in/reclassified from OCI	Closing balance
Deferred tax assets:				
Depreciation on property, plant and equipment	10.66	(4.99)	-	5.67
Provisions for doubtful receivables/other financial asset (Including expected credit loss)	121.65	5.64	-	127.29
Lease	12.46	3.56	-	16.02
Compensated absences and retirement benefits	10.60	1.97	0.84	13.41
Unrealised profit on investments	17.03	(5.15)	-	11.88
Total deferred tax assets	172.40	1.03	0.84	174.27
Deferred tax liabilities:				
Total deferred tax liabilities	-	-	-	-
Deferred tax assets (Net)	172.40	1.03	0.84	174.27

NOTE 10 : PROPERTY, PLANT AND EQUIPMENT

Tangible Assets:

(₹ in Million)

Particulars	Building	Computer	Electrical Equipment	Furniture & Fixture	Office Equipment	Total
Cost:						
As at April 01, 2021	7.22	213.26	37.54	72.38	48.95	379.35
Additions	-	79.21	4.28	15.08	6.38	104.96
Disposals/Adjustments	-	(22.84)	(3.82)	(4.81)	(2.10)	(33.57)
As at March 31, 2022	7.22	269.63	38.00	82.65	53.23	450.74
Additions	-	49.11	3.37	3.41	4.76	60.64
Disposals/Adjustments	-	(27.15)	(1.06)	(1.94)	(2.76)	(32.90)
As at March 31, 2023	7.22	291.59	40.31	84.12	55.23	478.48



Notes forming part of Standalone Financial Statements

for the year ended March 31, 2023 (Contd.)

Particulars	Building	Computer	Electrical Equipment	Furniture & Fixture	Office Equipment	Total
Accumulated Depreciation:						
As at April 01, 2021	2.80	162.66	23.73	42.01	34.73	265.93
Depreciation charge for the year	0.70	49.59	6.31	14.70	5.97	77.27
Deductions/Adjustments	-	(14.28)	(3.13)	(3.23)	(1.49)	(22.12)
As at March 31, 2022	3.50	197.97	26.91	53.48	39.21	321.08
Depreciation charge for the year	0.70	48.75	6.44	13.32	6.41	75.62
Deductions/Adjustments	-	(14.35)	(0.86)	(1.39)	(1.31)	(17.91)
As at March 31, 2023	4.20	232.37	32.49	65.41	44.31	378.79

Net Book Value:

(₹ in Million)

Particulars	Building	Computer	Electrical Equipment	Furniture & Fixture	Office Equipment	Total
As at March 31, 2022	3.72	71.66	11.09	29.17	14.02	129.66
As at March 31, 2023	3.02	59.22	7.82	18.71	10.92	99.69

Capital Work In Progress (CWIP) Ageing Schedule

(₹ in Million)

Capital Work In Progress	Amount in CWIP for the period March 31, 2023				
	Less than 1 year	1 - 2 Years	2 - 3 Years	More than 3 years	Total
Projects in Progress	1.99	4.50	-	-	6.49
Projects temporarily suspended	-	-	-	-	-

(₹ in Million)

Capital Work In Progress	Amount in CWIP for the period March 31, 2022				
	Less than 1 year	1 - 2 Years	2 - 3 Years	More than 3 years	Total
Projects in Progress	7.02	3.97	-	-	10.99
Projects temporarily suspended	-	-	-	-	-

Other intangible assets (other than internally generated):

(₹ in Million)

Particulars	Commercial rights	Software	Total
Cost:			
As at April 01, 2021	1,129.11	136.81	1,265.92
Other additions	8.50	18.99	27.50
Deductions/Adjustments	-	-	-
As at March 31, 2022	1,137.61	155.81	1,293.42
Other additions	-	47.85	47.85
Deductions/Adjustments	-	-	-
As at March 31, 2023	1,137.61	203.66	1,341.27
Accumulated Depreciation:			
As at April 01, 2021	8.04	106.49	114.53
Depreciation charge for the year	229.83	20.41	250.24
Deductions/Adjustments	0.01	-	0.01
As at March 31, 2022	237.88	126.90	364.78
Depreciation charge for the year	228.66	29.31	257.97
Deductions/Adjustments	-	-	-
As at March 31, 2023	466.54	156.21	622.75

Notes forming part of Standalone Financial Statements

for the year ended March 31, 2023 (Contd.)

Net Book Value: (₹ in Million)

Particulars	Commercial rights	Software	Goodwill	Total
As at March 31, 2022	899.73	28.91	-	928.64
As at March 31, 2023	671.07	47.45	-	718.52

NOTE 11 : RIGHT-OF-USE ASSETS

A) Carrying value of right of use assets at the end of the reporting period by class (₹ in Million)

Particulars	As at March 31, 2023			As at March 31, 2022		
	Premises	Vehicle	Total	Premises	Vehicle	Total
Balance at the beginning of the year	516.44	31.32	547.76	399.74	10.88	410.62
Additions during the year	104.31	30.85	135.16	513.10	31.54	544.64
Deletions during the year	(135.78)	-	(135.78)	(91.21)	(0.71)	(91.92)
Depreciation charged for the year	(252.34)	(13.96)	(266.30)	(305.19)	(10.39)	(315.58)
Balance at the end of the year	232.63	48.21	280.84	516.44	31.32	547.76

B) Maturity analysis of lease liabilities (₹ in Million)

Particulars	As at March 31, 2023	As at March 31, 2022
Maturity analysis – contractual undiscounted cash flows		
- Less than one year	171.47	314.17
- One to five years	203.78	353.09
- More than five years	29.10	27.52
Total undiscounted lease liabilities at March 31	404.35	694.78
Lease liabilities included in the statement of financial position at March 31	308.69	611.41
Current lease liability	151.40	276.93
Non current lease liability	157.29	334.48

C) Amounts recognised in profit or loss (₹ in Million)

Particulars	As at March 31, 2023	As at March 31, 2022
Interest on lease liabilities	40.33	57.29
Expenses relating to short-term leases	4.51	3.61
Depreciation charged for the year	266.30	315.58
Expenses relating to leases of low-value assets, excluding short-term leases of low value assets	3.60	1.08
Total	314.74	377.56

D) Amounts recognised in the statement of cash flows (₹ in Million)

Particulars	As at March 31, 2023	As at March 31, 2022
Total cash outflow for leases	343.80	353.96



Notes forming part of Standalone Financial Statements

for the year ended March 31, 2023 (Contd.)

NOTE 12 : OTHER NON-FINANCIAL ASSETS

(₹ in Million)

Particulars	As at March 31, 2023	As at March 31, 2022
Prepaid expense	89.43	78.55
Capital advances	106.32	1.18
Other advances	57.40	30.69
Total	253.15	110.42

NOTE 13 : PAYABLES

(₹ in Million)

Particulars	As at March 31, 2023	As at March 31, 2022
(I) Trade Payable		
- Total outstanding dues of micro enterprises and small enterprises	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	16.96	9.62
Total (I)	16.96	9.62
(II) Other Payable		
- Total outstanding dues of micro enterprises and small enterprises	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises		
(a) Provision for expenses	670.91	801.93
(b) Accrued salaries & benefits	1.02	23.72
(c) Others	4.69	4.23
Total (II)	676.62	829.88
Total (I)+(II)	693.58	839.50

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

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

Particulars	FY 2022-23	FY 2021-22
(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	-	-

Notes forming part of Standalone Financial Statements

for the year ended March 31, 2023 (Contd.)

Trade Payable ageing schedule

(₹ in Million)

Particulars	Provision	Outstanding for the following periods from due date of payment as at March 31, 2023				
		Less than 1 year	1 - 2 Years	2 - 3 Years	More than 3 years	Total
(i) MSME	-	-	-	-	-	-
(ii) Others	676.62	13.23	0.45	3.17	0.11	693.58
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-

(₹ in Million)

Particulars	Provision	Outstanding for the following periods from due date of payment as at March 31, 2022				
		Less than 1 year	1 - 2 Years	2 - 3 Years	More than 3 years	Total
(i) MSME	-	-	-	-	-	-
(ii) Others	829.88	4.94	4.02	-	0.66	839.50
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-

NOTE 14 : BORROWINGS (OTHER THAN DEBT SECURITIES)

(₹ in Million)

Particulars	As at March 31, 2023	As at March 31, 2022
Loans repayable on demand (from banks)		
- Working capital demand loan	2,109.13	2,000.00
- Bank overdraft against fixed deposit	970.46	1,362.89
Total	3,079.59	3,362.89
Borrowings in India	3,079.59	3,362.89
Borrowings outside India	-	-
Total	3,079.59	3,362.89

(a) Security

Working Capital Demand Loan (WCDL) & Bank overdraft are secured by way of first pari-passu charge on receivable and fixed deposits pledged with the banks. Refer note 33 for details of asset pledged.

(b) Tenor of repayment:

WCDL varies from 7 days to 365 days and bank overdraft upto validity of facility.

(c) Interest Rate:

Interest rate is ranging from 5.45% to 9.60%.



Notes forming part of Standalone Financial Statements

for the year ended March 31, 2023 (Contd.)

NOTE 15 : OTHER FINANCIAL LIABILITIES

(₹ in Million)

Particulars	As at March 31, 2023	As at March 31, 2022
Clients payables #	16,801.91	28,266.57
Exchange payables	14,579.94	11,556.28
Book overdraft	10.16	16.16
Deposits received from franchisee and others *	396.49	489.16
Payable to related parties (Refer note 35)	48.28	33.52
Provision for gratuity (funded) (Refer note 25)	7.68	-
Lease obligation	308.69	611.41
Other payable	171.28	234.93
Total	32,324.43	41,208.03

Include payable to directors, key managerial personnel & related party of ₹ 6.31 million (As at March 31, 2022 ₹ 0.00 million) (Refer note 35)

* Include deposit of related party of ₹ 3.53 million (As at March 31, 2022 ₹ 3.07 million) (Refer note 35)

NOTE 16 : PROVISIONS

(₹ in Million)

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for leave encashment	56.82	57.76
Total	56.82	57.76

NOTE 17 : OTHER NON-FINANCIAL LIABILITIES

(₹ in Million)

Particulars	As at March 31, 2023	As at March 31, 2022
Income received in advance	11.98	7.71
Statutory dues (net of input credit)	339.15	300.82
Total	351.13	308.53

NOTE 18 : EQUITY SHARE CAPITAL

a. The Authorised, Issued, Subscribed and Paid up Share Capital:

(₹ in Million)

Particulars	As at March 31, 2023	As at March 31, 2022
Authorised Share Capital		
At the beginning of the year	1,000.00	1,000.00
Add: Increase in authorised share capital	-	-
Closing at the end of year	1,000.00	1,000.00
Issued, Subscribed and Paid-up Share Capital		
305,528,966 Equity Shares of ₹ 2 each fully paid up (303,936,230 Equity Shares of ₹ 2 each fully paid up)	611.06	607.87

Notes forming part of Standalone Financial Statements

for the year ended March 31, 2023 (Contd.)

b. Reconciliation of the shares outstanding at the beginning and at the end of the year:

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	(₹ in Million)	No. of Shares	(₹ in Million)
Equity Shares				
At the beginning of the year	303,936,230	607.87	302,935,330	605.87
Add: Shares issued during the year under ESOP scheme	1,592,736	3.19	1,000,900	2.00
Closing at the end of year	305,528,966	611.06	303,936,230	607.87

c. Terms/Rights attached to Equity Shares

The company has only one class of shares referred to as equity shares having a par value of ₹ 2/- each. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividend in Indian Rupees.

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

d. Details of shareholders holding more than 5% shares in the Company:

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	% of holding in the class	No. of Shares	% of holding in the class
Equity share of ₹ 2 each fully paid up				
FIH Mauritius Investments Limited	84,641,445	27.70%	84,641,445	27.85%
Nirmal Bhanwarlal Jain	46,964,282	15.37%	46,964,282	15.45%
HWIC Asia Fund Class A shares	28,362,530	9.28%	28,362,530	9.33%

e. Other details of equity shares for a period of five years immediately preceding March 31, 2023

- In FY 2019-20, fresh 319,234,462 equity shares of ₹ 2/- each allotted through composite Scheme of Arrangement as approved by NCLT, Mumbai.
- In FY 2020-21, 17,000,394 equity shares bought back for an aggregate amount of ₹ 866.82 million. Consequently the paid-up equity share capital had reduced by ₹ 34.00 million.

f. Shares reserved for issue under options and contracts/commitments for sale of shares/disinvestments, including the terms and amount, Refer Note 32 for details of shares reserved for issue under Employees Stock Option Plan of the Company.

g. Shareholding of Promoters

Shares held by promoters at the end of the year March 31, 2023					Shares held by promoters at the end of the year March 31, 2022				
S. No.	Promoter name	No. of Shares	% of total shares	% Change during the year	S. No.	Promoter name	No. of Shares	% of total shares	% Change during the year
1	Nirmal Bhanwarlal Jain	46,964,282	15.37%	(0.52%)	1	Nirmal Bhanwarlal Jain	46,964,282	15.45%	(0.33%)
2	Madhu N Jain	12,075,000	3.95%	(0.52%)	2	Madhu N Jain	12,075,000	3.97%	(0.33%)
3	Venkataraman Rajamani	11,184,432	3.66%	(0.52%)	3	Venkataraman Rajamani	11,184,432	3.68%	(0.33%)
4	Mansukhlal Jain & Harshita Jain (in their capacity as Trustee of Nirmal Madhu Family Private Trust)	10,000,000	3.27%	(0.52%)	4	Mansukhlal Jain & Harshita Jain (in their capacity as Trustee of Nirmal Madhu Family Private Trust)	10,000,000	3.29%	(0.33%)
5	Aditi Avinash Athavankar (in the capacity as Trustee of Kalki Family Private Trust)	9,000,000	2.95%	(0.52%)	5	Aditi Avinash Athavankar (in the capacity as Trustee of Kalki Family Private Trust)	9,000,000	2.96%	(0.33%)
6	Aditi Athavankar	200,000	0.07%	(0.52%)	6	Aditi Athavankar	200,000	0.07%	(0.33%)
7	Orpheus Trading Pvt Ltd	3,019,500	0.99%	(0.52%)	7	Orpheus Trading Pvt Ltd	3,019,500	0.99%	(0.33%)
8	Ardent Impex Pvt Ltd	2,700,000	0.88%	(0.52%)	8	Ardent Impex Pvt Ltd	2,700,000	0.89%	(0.33%)
Total		95,143,214	31.14%				95,143,214	31.30%	



Notes forming part of Standalone Financial Statements

for the year ended March 31, 2023 (Contd.)

NOTE 19 : OTHER EQUITY

(₹ in Million)

Particulars	Reserves and Surplus							Total
	Capital Reserve	Capital Redemption Reserve	Securities Premium Reserve	General Reserve	Retained Earnings	Share options outstanding account	Other items of Other Comprehensive Income	
Balance as at April 01, 2022	670.91	34.00	1,150.18	5.61	6,953.08	81.34	(10.91)	8,884.21
Changes in accounting policy/prior period errors	-	-	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period	-	-	-	-	-	-	-	-
Transfer from/to reserve	-	-	23.62	14.52	-	(38.14)	-	-
Additions /(deletions) during the year	-	-	53.75	-	-	49.47	(15.81)	87.41
Total comprehensive income for the year	-	-	-	-	2,834.31	-	-	2,834.31
Appropriation towards dividend paid	-	-	-	-	(914.56)	-	-	(914.56)
Balance as at March 31, 2023	670.91	34.00	1,227.55	20.13	8,872.83	92.67	(26.72)	10,891.37
Balance as at April 01, 2021	670.91	34.00	1,199.16	2.27	5,023.54	46.53	(8.42)	6,967.99
Changes in accounting policy/prior period errors	-	-	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period	-	-	-	-	-	-	-	-
Transfer from/to reserve	-	-	-	3.34	-	(3.34)	-	-
Additions /(deletions) during the year	-	-	34.32	-	-	38.15	-	72.47
Total comprehensive income for the year	-	-	-	-	2,841.12	-	(2.49)	2,838.63
Share issue expenses	-	-	(83.30)	-	-	-	-	(83.30)
Appropriation towards dividend paid	-	-	-	-	(911.58)	-	-	(911.58)
Balance as at March 31, 2022	670.91	34.00	1,150.18	5.61	6,953.08	81.34	(10.91)	8,884.21

Footnotes: Nature and purpose reserves

- i) **Capital reserves** : Capital reserve was created due to slump sale transaction and as per the Composite Scheme of Arrangement.
- ii) **Securities premium** : Securities premium represents the surplus of proceeds received over the face value of shares, at the time of issue of shares. The issue expenses of securities which qualify as equity instruments are written off against securities premium account.
- iii) **Retained earnings** : The balance in retained earnings primarily represents the surplus after payment of dividend (including tax on dividend) and transfer to reserves.
- iv) **Share options outstanding account** : The share options outstanding account is used to record the fair value of equity-settled share based payment transactions with employees. The amounts recorded in share options outstanding account are transferred to securities premium upon exercise of stock options and transferred to general reserve on account of stock options not exercised by employees.
- v) **General Reserve**: This reserve can be distributed/utilised by the Company, in accordance with the Companies Act, 2013.
- vi) **Capital Redemption Reserve**: Nominal value of the shares cancelled through buyback is transferred to Capital Redemption Reserve.

NOTE 20 : INTEREST INCOME

(₹ in Million)

Particulars	FY 2022-23	FY 2021-22
Interest on deposits with banks	1,157.12	716.59
Interest on margin funding facility	867.70	264.92
Total	2,024.82	981.51

Notes forming part of Standalone Financial Statements

for the year ended March 31, 2023 (Contd.)

NOTE 21 : FEES AND COMMISSION INCOME

(₹ in Million)

Particulars	FY 2022-23	FY 2021-22
Brokerage & related income	7,602.20	6,744.13
Investment banking income	1,286.79	1,503.82
Financial Products Distribution Income	1,298.38	1,375.36
Total	10,187.37	9,623.31

NOTE 22 : OTHER INCOME

(₹ in Million)

Particulars	FY 2022-23	FY 2021-22
Gain/(Loss) on financial assets measured at fair value through Profit & Loss account		
- Realised	35.65	45.32
- Unrealised	(90.48)	165.42
Gain / (loss) on termination on lease	(1.38)	4.77
Interest Income on		
- Inter corporate deposit	18.37	80.07
- Investment	6.56	15.51
Dividend income #	427.93	479.12
Infrastructure support income	61.07	91.48
Other income	20.40	18.69
Total	478.12	900.38

During the year, Company has received dividend of ₹ 425.00 million (PY ₹ 462.52 million) from subsidiaries (Refer note 35)

NOTE 23 : FINANCE COST MEASURED AT AMOTISED COST

(₹ in Million)

Particulars	FY 2022-23	FY 2021-22
Interest on borrowings	273.88	69.29
Interest on debt securities	9.96	-
Interest on lease	40.33	57.29
Other borrowing cost	274.35	216.84
Total	598.52	343.42

NOTE 24 : FEES AND COMMISSION EXPENSE

(₹ in Million)

Particulars	FY 2022-23	FY 2021-22
Sub brokerage Expense and Referral fees	2,416.25	1,918.36
Others	228.56	197.57
Total	2,644.81	2,115.93

NOTE 25 : EMPLOYEE BENEFITS EXPENSES

(₹ in Million)

Particulars	FY 2022-23	FY 2021-22
Salaries and wages	2,953.25	2,811.88
Contribution to provident and other funds	68.20	62.07
Share based payments (Refer note 32)	49.41	37.90
Staff welfare expenses	32.30	14.45
Gratuity	13.80	12.93
Leave encashment	9.77	24.58
Total	3,126.73	2,963.81



Notes forming part of Standalone Financial Statements

for the year ended March 31, 2023 (Contd.)

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

A Defined Benefit Plans:

(i) Reconciliation of opening and closing balances of Defined Benefit Obligation

(₹ in Million)

Particulars	FY 2022-23	FY 2021-22
Defined Benefit Obligation at beginning of the year	163.69	153.98
Interest cost	11.20	10.11
Current service cost	14.31	13.05
Liability transferred In/ acquisitions	2.18	1.80
(Liability transferred out/ divestments)	(2.02)	(4.64)
(Benefit paid directly by the Employer)	-	(0.01)
(Benefit paid from the fund)	(20.19)	(13.49)
Actuarial (gains)/losses on obligations - due to change in demographic assumptions	-	(0.14)
Actuarial (gains)/losses on obligations - due to change in financial assumptions	(7.99)	(3.69)
Actuarial (gains)/losses on obligations - due to experience	23.09	6.72
Defined Benefit Obligation at year end	184.27	163.69

(ii) Reconciliation of opening and closing balances of fair value of Plan Assets

(₹ in Million)

Particulars	FY 2022-23	FY 2021-22
Change in the fair value of plan assets		
Fair value of plan assets at beginning of the year	171.11	155.80
Interest income	11.70	10.24
Contributions by the employer	20.00	19.00
Expected return on plan assets (excluding interest)	(6.03)	(0.44)
(Benefit paid from the fund)	(20.19)	(13.49)
Fair value of Plan Assets at the end of the year	176.59	171.11

(iii) Amount Recognized in the Balance Sheet

(₹ in Million)

Particulars	FY 2022-23	FY 2021-22
(Present Value of Benefit Obligation at the end of the year)	(184.27)	(163.69)
Fair value of Plan Assets at the end of the year	176.59	171.11
Net (liability)/Asset recognized in the balance sheet (surplus/ (deficit))	(7.68)	7.41

(iv) Expenses recognised during the year

(₹ in Million)

Particulars	FY 2022-23	FY 2021-22
In Income statement		
Current service cost	14.31	13.05
Net interest cost	(0.51)	(0.12)
Expense recognised in the Statement of Profit and Loss under "Employee benefits expenses"	13.80	12.93
In other comprehensive income		
Actuarial (gains)/Losses on obligation for the period	15.10	2.89
Return on plan assets, excluding interest income	6.03	0.44
Net (income)/expense for the year recognized in OCI	21.13	3.33

Notes forming part of Standalone Financial Statements

for the year ended March 31, 2023 (Contd.)

(v) Balance sheet reconciliation

(₹ in Million)

Particulars	FY 2022-23	FY 2021-22
Opening net liability	(7.41)	(1.82)
Expenses Recognized in Statement of Profit or Loss	13.80	12.93
Expenses Recognized in OCI	21.13	3.33
Net Liability/(Asset) Transfer In	2.18	1.80
Net (Liability)/Asset Transfer Out	(2.02)	(4.64)
(Benefit Paid Directly by the Employer)	-	(0.01)
(Employer's Contribution)	(20.00)	(19.00)
Net liability/(asset) recognized in the balance sheet	7.68	(7.41)

(vi) Investment Details:

(₹ in Million)

Particulars	FY 2022-23	FY 2021-22
Category of assets		
Insurance fund	176.59	171.11
Total	176.59	171.11

(vii) Actuarial assumptions

Particulars	FY 2022-23	FY 2021-22
Expected return on plan assets	7.41%	6.84%
Rate of discounting	7.41%	6.84%
Rate of salary increase	5.00%	5.00%
Rate of employee turnover	For service 4 years and below 31% p.a. & thereafter 6% p.a.	For service 4 years and below 31% p.a. & thereafter 6% p.a.
Mortality rate during employment	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2006-08)

- (a) The estimate of future salary increase, considered in the actuarial valuation, takes into account inflation, seniority, promotion, increments and other relevant factors.
- (b) The Expected Rate of Return on Plan Assets is determined considering several applicable factors, mainly the composition of Plan Assets held assessed risks, historical results of return on Plan Assets and the Company's policy for Plan Assets Management.

(viii) Sensitivity Analysis

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

(₹ in Million)

Particulars	FY 2022-23	FY 2021-22
Projected Benefit Obligation on Current Assumptions	184.27	163.69
Delta Effect of +1% Change in Rate of Discounting	(12.64)	(12.52)
Delta Effect of -1% Change in Rate of Discounting	14.42	14.41
Delta Effect of +1% Change in Rate of Salary Increase	11.93	11.23
Delta Effect of -1% Change in Rate of Salary Increase	(11.01)	(10.22)
Delta Effect of +1% Change in Rate of Employee Turnover	3.69	2.91
Delta Effect of -1% Change in Rate of Employee Turnover	(4.12)	3.27
Weighted Average Duration of the Projected Benefit Obligation	11	10



Notes forming part of Standalone Financial Statements

for the year ended March 31, 2023 (Contd.)

These plans typically expose the Company to actuarial risks such as: investment risk, interest risk, longevity risk and salary risk.

Investment risk :- The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

Interest risk :- A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan debt investments.

Longevity risk :- The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk :- The present value of the defined plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

(ix) Maturity Analysis of the Benefit Payments: From the Fund

(₹ in Million)

Particulars	FY 2022-23	FY 2021-22
1st Following Year	24.04	12.96
2nd Following Year	13.79	12.43
3rd Following Year	13.86	12.24
4th Following Year	15.19	12.38
5th Following Year	14.80	13.44
Sum of Years 6 To 10	78.79	69.93
Sum of Years 11 and above	205.09	192.63

B. Defined Contribution Plans:

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

(₹ in Million)

Particulars	FY 2022-23	FY 2021-22
Contribution to provident fund	41.20	35.95
Contribution to ESIC	1.27	1.99
Contribution to labour welfare fund	0.09	0.08
Contribution to EPS	20.56	21.16
Contribution to NPS	5.08	2.89
Total	68.20	62.07

NOTE 26 : DEPRECIATION, AMORTIZATION AND IMPAIRMENT

(₹ in Million)

Particulars	FY 2022-23	FY 2021-22
Depreciation on property, plant and equipment	75.62	77.27
Depreciation on right of use asset	266.30	315.58
Amortization of intangible assets	257.97	250.24
Total	599.89	643.09

Notes forming part of Standalone Financial Statements

for the year ended March 31, 2023 (Contd.)

NOTE 27 : OTHER EXPENSES

(₹ in Million)

Particulars	FY 2022-23	FY 2021-22
Communication expense	42.50	66.61
Corporate social responsibility expenses (Refer note 31)	51.92	27.78
Directors commission & sitting fees	6.01	5.77
Exchange, Custodian and Statutory Charges	195.60	131.65
Expected credit loss (net of recovery)	50.60	30.01
Franking charges & Bank charges	11.67	8.09
Infrastructure Support Charges	9.07	9.92
Legal and professional charges	348.66	300.27
Marketing, advertisement, and commission expenses	529.03	596.58
Office expenses	81.26	82.59
Printing and stationery & Postage and courier	20.25	19.13
Rent, electricity, rates & taxes, insurance	39.69	46.89
Repairs & Maintenance	6.13	6.60
Remuneration to Auditors :		
- As auditors - Statutory Audit	3.85	3.85
- Certification work and other matters	0.05	0.13
- Out of pocket expenses	-	0.07
Technology expenses	541.26	457.80
Travelling & conveyance and Meeting, Seminar & subscription	114.11	48.60
Miscellaneous expenses	3.23	8.92
Total	2,054.89	1,851.25

NOTE 28 : INCOME TAX

Amount Recognised in profit or loss

(₹ in Million)

Particulars	FY 2022-23	FY 2021-22
Current tax expenses		
Current year	848.43	761.31
Changes in estimates related to prior years	(3.28)	(13.70)
Deferred tax expenses		
Origination and reversal of temporary differences	(13.99)	(1.03)
Total	831.16	746.58

Reconciliation of effective tax rates:

(₹ in Million)

Particulars	FY 2022-23	FY 2021-22
Profit before tax	3,665.47	3,587.70
Tax using domestic tax rates	25.168%	25.168%
Tax amount	922.53	902.95
Tax effect of :		
Non-deductible expenses	6.98	20.44
Income Tax Interest	-	(1.56)
Tax on Eliminated Income		
Dividend	(107.70)	(120.59)
Others	(1.90)	0.58



Notes forming part of Standalone Financial Statements

for the year ended March 31, 2023 (Contd.)

Particulars	FY 2022-23	FY 2021-22
Income taxable at different rate	24.12	(37.00)
Differential Tax Treatment	(7.61)	(4.77)
Adjustment in respect of current income tax of prior years	(3.28)	(13.70)
Recognition of previously unrecognised deductible temporary differences	(1.98)	0.23
Total Income Tax Expense	831.16	746.58

NOTE 29 : EARNINGS PER EQUITY SHARE

(₹ in Million)

Particulars		FY 2022-23	FY 2020-21
Face value of equity shares in ₹ fully paid up		2.00	2.00
BASIC			
Profit after tax as per statement of profit and loss (₹ in Million)	A	2,834.31	2,841.12
Weighted average number of equity shares outstanding	B	304,371,508	303,285,115
Basic EPS In ₹	A/B	9.31	9.37
DILUTED			
Weighted average number of equity shares for computation of basic EPS		304,371,508	303,285,115
Add: Potential equity shares on account conversion of Employees Stock Options		2,348,746	4,576,760
Weighted average number of equity shares for computation of diluted EPS	C	306,720,254	307,861,875
Diluted EPS In ₹	A/C	9.24	9.23

NOTE 30 : CAPITAL, OTHER COMMITMENTS AND CONTINGENT LIABILITIES AT BALANCE SHEET DATE

Capital and other commitment

(₹ in Million)

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Capital commitment	214.24	70.45
(ii) Other commitment	60.00	147.76

Contingent Liabilities

(₹ in Million)

Particulars	As at March 31, 2023	As at March 31, 2022
(i) In respect of Income tax demands (see note 1)	81.13	75.76
(ii) In respect of Service tax demands (see note 2)	137.04	436.96
(iii) Bank guarantees (see note 3)	16,400.00	7,466.60
(iv) In respect of Other Legal case	247.67	250.17
Total	16,865.84	8,229.49

Notes :

- Amount paid under protest with respect to income tax demand ₹ 52.54 million (As at March 31, 2022 ₹ 29.34 million)
- Amount paid under protest with respect to service tax demand ₹ 11.69 million (As at March 31, 2022 ₹ 11.69 million)
- The Company has pledged fixed deposits with banks aggregating of ₹ 8,200.00 million (Previous year ₹ 3,733.30 million) for obtaining bank guarantee and for meeting margin requirements.
- The Company is subject to legal proceedings and claims which arises in the ordinary course of the business. The Company's management does not reasonably expect that these legal actions, when ultimately concluded and determined, will have material and adverse effect on the Company's financial position.
- The above Contingent Liability does not include Income Tax Liability of ₹ 187.39 millions arising due to error in processing of return by the Income Tax Department for which rectification application has been filed and outflow of resources is considered remote.

Notes forming part of Standalone Financial Statements

for the year ended March 31, 2023 (Contd.)

NOTE 31 : CORPORATE SOCIAL RESPONSIBILITY

During the period ended March 31, 2023 the Company has spent ₹ 51.92 million (Previous year ₹ 27.74 million) out of the total amount of ₹ 42.59 million (Previous year ₹ 37.07 million) required to be spent as per section 135 of the Companies Act 2013 in respect of Corporate Social Responsibility [CSR]. Unspent amount of ₹ 9.33 million for the previous year for ongoing projects has been spent during current year.

(₹ in Million)

Particulars	As at March 31, 2023	As at March 31, 2022
Amount required to be spent by the company during the year	42.59	37.07
Amount of expenditure incurred	51.92	27.74
Shortfall at the end of the year	-	9.33
Total of previous years shortfall	9.33	-
Reason for shortfall	NA	For ongoing projects
Details of related party transactions	Contributed to India Infoline Foundation ₹ 51.92 million	Contributed to India Infoline Foundation ₹ 25.09 million

The Company undertakes the following activities in the nature of Corporate social responsibility (CSR):

- Promoting education and special education among children and women, especially from marginalised and vulnerable communities
- Promoting employment enhancing vocational skills, especially among youths, through livelihood enhancement projects in aspirational districts
- Promoting healthcare, including preventive health and sanitation,
- Promoting gender equality, empowering women and taking measures to reduce inequalities faced by socially and economically backward groups

For detailed report, please refer annexure 1: Corporate Social Responsibility (CSR) in Director Report

NOTE 32 : SHARE BASED PAYMENTS

a) The details of Employee Stock Option Schemes are as under:

Particulars	ESOP 2018	ESOP 2019
Method of Accounting	Fair Value	Fair Value
Vesting Plan	Options granted would vest over a period of five years subject to a minimum period of one year from the date of grant of options	
Exercise Period	Seven years from the date of grant	
Grant Date	October 30, 2019, January 07, 2021 and October 08, 2021	March 08, 2016 and April 29, 2017
Grant Price (₹ per share)	₹ 30.85, ₹ 49.00 and ₹ 99.40	₹ 82.02 and ₹ 218.71

b) (i) Movement of options during the year ended March 31, 2023 of ESOP 2019 (Demerger Scheme)

Particulars	Options Outstanding	Range of exercise price (in ₹)	Weight average exercise price (in ₹)	Weight average remaining contractual life(Years)
Outstanding as on April 01, 2022	273,416	82.02 - 218.71	88.02	0.99
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Expired during the year	(251,194)	82.02	82.02	-
Exercised during the year	(10,222)	82.02	82.02	-
Outstanding as on March 31, 2023	12,000	218.71	218.71	1.08
Exercisable as on March 31, 2023	12,000	218.71	218.71	1.08



Notes forming part of Standalone Financial Statements

for the year ended March 31, 2023 (Contd.)

b) (ii) Movement of options during the year ended March 31, 2023 of ESOP 2018 Scheme

Particulars	Options Outstanding	Range of exercise price (in ₹)	Weight average exercise price (in ₹)	Weight average remaining contractual life (Years)
Outstanding as on April 01, 2022	13,117,938	30.85 - 99.40	63.83	5.57
Granted during the year	-	-	-	-
Forfeited during the year	(2,099,417)	30.85 - 99.40	65.86	-
Expired during the year	(248,698)	30.85 - 99.40	66.35	-
Exercised during the year	(1,582,514)	30.85 - 49.00	35.45	-
Outstanding as on March 31, 2023	9,187,309	30.85 - 99.40	68.19	4.64
Exercisable as on March 31, 2023	3,006,978	30.85 - 99.40	59.46	4.39

c) (i) Movement of options during the year ended March 31, 2022 of ESOP 2019 (Demerger Scheme)

Particulars	Options Outstanding	Range of exercise price (in ₹)	Weight average exercise price (in ₹)	Weight average remaining contractual life (Years)
Outstanding as on April 01, 2021	445,641	61.40 - 218.71	87.62	1.89
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Expired during the year	(66,145)	61.40 - 218.71	94.95	-
Exercised during the year	(106,080)	82.02	82.02	-
Outstanding as on March 31, 2022	273,416	82.02 - 218.71	88.02	0.99
Exercisable as on March 31, 2022	273,416	82.02 - 218.71	88.02	0.99

c) (ii) Movement of options during the year ended March 31, 2022 of ESOP 2018 Scheme

Particulars	Options Outstanding	Range of exercise price (in ₹)	Weight average exercise price (in ₹)	Weight average remaining contractual life (Years)
Outstanding as on April 01, 2021	8,937,938	30.85 - 49.00	32.89	5.72
Granted during the year	6,500,000	99.40	99.40	-
Forfeited during the year	(1,368,256)	30.85 - 99.40	53.59	-
Expired during the year	(56,924)	30.85	30.85	-
Exercised during the year	(894,820)	30.85 - 49.00	30.87	-
Outstanding as on March 31, 2022	13,117,938	30.85 - 99.40	63.83	5.57
Exercisable as on March 31, 2022	1,331,494	30.85 - 49.00	33.58	4.76

Notes forming part of Standalone Financial Statements

for the year ended March 31, 2023 (Contd.)

NOTE 33 : ASSETS PLEDGED AS SECURITY

The carrying amounts of assets pledged as security for borrowings are:

(₹ in Million)

Particulars	As at March 31, 2023	As at March 31, 2022
Financial assets		
Other financial assets	11,106.74	8,705.52
Fixed deposit	1,807.50	2,594.30
Total assets pledged as security	12,914.24	11,299.82

NOTE 34 : FINANCIAL RISK MANAGEMENT

Financial risk management objectives and policies

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

The company has adopted the 'three lines-of-defence' (3 LOD) model wherein management control at the business entity level is the first line of defence in risk management. Various risk control and compliance oversight functions, established by the management are the second line of defence. Finally, the third line comprises the internal audit/ assurance function. All three lines play a distinct role within Company wider governance framework.

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

34 A.1. CREDIT RISK

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

Credit quality analysis

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

(₹ in Million)

Particulars	As at March 31, 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	131.00	59.93	4.65	195.58
Less : Impairment loss allowance	-	(6.50)	(4.65)	(11.15)
Carrying amount	131.00	53.43	-	184.43
Other financial assets	11,882.25	70.95	529.85	12,483.05
Less : Impairment loss allowance	-	(20.25)	(529.85)	(550.10)
Carrying amount	11,882.25	50.70	-	11,932.95



Notes forming part of Standalone Financial Statements

for the year ended March 31, 2023 (Contd.)

(₹ in Million)

Particulars	As at March 31, 2022			Total
	Financial Assets where loss allowance measured at 12-month ECL	Financial assets for which credit risk has increased significantly and credit not impaired	Financial assets for which credit risk has increased significantly and credit impaired	
Trade receivables	145.47	89.13	0.98	235.58
Less : Impairment loss allowance	-	(7.81)	(0.98)	(8.79)
Carrying amount	145.47	81.32	-	226.79
Other financial assets	9,589.31	26.79	488.51	10,104.61
Less : Impairment loss allowance	-	(8.63)	(488.51)	(497.14)
Carrying amount	9,589.31	18.16	-	9,607.47

Movement of ECL (Trade receivable and other financial assets)

(₹ in Million)

Particulars	Financial assets for which credit risk has increased significantly and credit not impaired	Financial assets for which credit risk has increased significantly and credit impaired	Total
April 01, 2021	11.35	472.06	483.41
Increase/(decrease) net	5.09	17.44	22.53
March 31, 2022	16.44	489.50	505.94
Increase/(decrease) net	10.31	45.00	55.31
March 31, 2023	26.75	534.50	561.25

34 A.2. COLLATERAL HELD

The Company holds collateral of securities and other credit enhancements against its credit exposures.

34 A.3. MEASUREMENT OF EXPECTED CREDIT LOSS

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

34 B. LIQUIDITY RISK

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

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

Notes forming part of Standalone Financial Statements

for the year ended March 31, 2023 (Contd.)

As at March 31, 2023

(₹ in Million)

Particulars	Total	Up to 1 year	1-5 years	5-10 years	More than 10 years
Trade & other payable	693.58	693.58	-	-	-
Bank overdraft	970.46	970.46	-	-	-
Working capital demand loan	2,109.13	2,109.13	-	-	-
Other financial liabilities	32,420.09	31,794.32	596.67	29.10	-
Total liabilities	36,193.26	35,567.49	596.67	29.10	-

As at March 31, 2022

(₹ in Million)

Particulars	Total	Up to 1 year	1-5 years	5-10 years	More than 10 years
Trade & other payable	839.50	839.50	-	-	-
Bank overdraft	1,362.89	1,362.89	-	-	-
Working capital demand loan	2,000.00	2,000.00	-	-	-
Other financial liabilities	41,291.40	40,552.94	710.94	27.52	-
Total liabilities	45,493.79	44,755.33	710.94	27.52	-

34 C. MARKET RISK

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

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

34 C.1. INTEREST RATE RISK

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

Company business is volatile and hence borrowings are done bases on requirement, generally borrowings are done for short term and are on market based interest rate.

The following table shows sensitivity analysis for impact on interest cost.

(₹ in Million)

Particulars	As at March 31, 2023	As at March 31, 2022
Bank overdraft	970.46	1,362.89
Working capital demand loan	2,109.13	2,000.00
Total	3,079.59	3,362.89
Weighted average interest rate	8.12%	5.21%
Annualised interest cost	249.97	175.28



Notes forming part of Standalone Financial Statements

for the year ended March 31, 2023 (Contd.)

Sensitivity analysis for impact on interest cost

(₹ in Million)

Particulars	As at March 31, 2023	As at March 31, 2022
Increase in 1% change in ROI	30.80	33.63
Decrease in 1% change in ROI	(30.80)	(33.63)

34 C.2. FAIR VALUE SENSITIVITY ANALYSIS FOR FIXED-RATE INSTRUMENTS

The Company's fixed-rate financial liabilities are carried at amortised cost. Therefore, a change in interest rates at the reporting date would not affect profit or loss, since neither the carrying amount nor the future cash flows will fluctuate. There is no fixed-rate financial liabilities outstanding as at the reporting date.

34 C.3. EXPOSURE TO CURRENCY RISKS

The Company is operating internationally and is exposed to foreign exchange risk arising from foreign currency transaction. Below is table showing net gap between foreign asset and liability

Particulars	As at March 31, 2023		As at March 31, 2022	
	Foreign currency in million	₹ in million	Foreign currency in million	₹ in million
Foreign Currency Assets				
USD	0.29	23.75	0.88	66.63
GBP	0.01	0.62	0.01	1.34
EURO	-	-	0.01	0.59
Foreign Currency Liabilities				
USD	0.40	32.85	0.39	29.60
Net Gap				
USD	(0.11)	(9.10)	0.49	37.03
GBP	0.01	0.62	0.01	1.34
EURO	-	-	0.01	0.59

Sensitivity :

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

The effect of upward movement of 5% in the exchange rate reduce the profit/reserve by ₹ 0.42 million (increase in profit/reserve ₹ 1.95 million for previous year) and downward movement of 5% will increase profit/reserve by ₹ 0.42 million (reduce in profit/reserve ₹ 1.95 million for previous year) for FY 2022-23.

34 C.4. EXPOSURE TO PRICE RISK

The Company exposure to price risk arising from investment held by the company and is classified in the balance sheet through fair value through profit & loss account. Company has majorly invested in Debt Fund and Alternate Investment Funds under various scheme and its exposure.

(₹ in Million)

Particulars	Debt Securities	Equity Shares (Other than Subsidiary)	Alternate Investment Funds	Total
Market Value as on March 31, 2023	83.31	84.04	430.04	597.39
Market Value as on March 31, 2022	545.88	184.08	350.99	1,080.95

Sensitivity

The effect of upward movement of 5% in the price affects the projected net income by ₹ 29.87 million (₹ 54.05 million for previous year) and for forward downward movement of 5% the projected net loss will be ₹ 29.87 million (₹ 54.05 million for previous year) for FY 2022-23.

Notes forming part of Standalone Financial Statements

for the year ended March 31, 2023 (Contd.)

34 D. CAPITAL MANAGEMENT

The company's objective when managing capital are to

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

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

The company's strategy is to maintain gearing ratio as per industry norms. The gearing ratio is as follows :

(₹ in Million)

Particulars	As at March 31, 2023	As at March 31, 2022
Total debt	3,079.59	3,362.89
Cash & cash equivalent (excluding client bank balance)	(321.06)	(271.85)
Net debt	2,758.53	3,091.04
Total equity	11,502.43	9,492.08
Net debt to equity	0.24	0.33

34 E. FAIR VALUES OF FINANCIAL INSTRUMENTS

The Company measures fair values using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements.

- Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.
- Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs that are not observable and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Subjective estimate - The valuation of level 3 financial instruments held at fair value through profit or loss or through other comprehensive income may be misstated due to the application of valuation techniques which often involve the exercise of judgement and the use of assumptions and estimates. A subjective estimate exists for instruments where the valuation method uses significant unobservable inputs which is principally the case for level 3 financial instruments. The estimate measurement of fair value is more judgemental in respect of Level 3 assets, these are valued based on models that use a significant degree of non-market-based unobservable inputs.

Observable prices or model inputs are usually available in the market for listed debt and equity securities. The availability of observable market prices and model inputs reduces the need for management judgement and estimation and also reduces the uncertainty associated with determining fair values.

The following table analyses financial instruments measured at fair value at the reporting date, by the level in the fair value hierarchy into which the fair value measurement is categorised.



Notes forming part of Standalone Financial Statements

for the year ended March 31, 2023 (Contd.)

34 E.1. : Fair Value of Financial Instruments - Financial Instrument by Category

(₹ in Million)

Particulars	As at March 31, 2023			As at March 31, 2022		
	Fair Value through Profit or loss	Amortised Cost	Carrying Value	Fair Value through Profit or loss	Amortised Cost	Carrying Value
Financial Asset						
Cash and cash equivalents	-	1,383.15	1,383.15	-	10,731.86	10,731.86
Bank Balance other than (a) above	-	26,634.42	26,634.42	-	26,182.50	26,182.50
Receivables						
(I) Trade receivables	-	184.43	184.43	-	226.79	226.79
(II) Other receivables	-	114.82	114.82	-	103.68	103.68
Loans	-	4,950.86	4,950.86	-	4,884.24	4,884.24
Investments						
-Equity Shares	84.04	493.23	577.27	184.08	493.22	677.30
-Debt Instruments	83.31	-	83.31	545.88	-	545.88
-Alternate Investment Fund	430.04	-	430.04	350.99	-	350.99
Other financial assets	-	11,932.95	11,932.95	-	9,607.47	9,607.47
Total	597.39	45,693.86	46,291.25	1,080.95	52,229.76	53,310.71
Financial Liabilities						
Trade payables	-	16.96	16.96	-	9.62	9.62
Other payables	-	676.62	676.62	-	829.88	829.88
Borrowings (Other than debt securities)	-	3,079.59	3,079.59	-	3,362.89	3,362.89
Other financial liabilities	-	32,324.43	32,324.43	-	41,208.03	41,208.03
Total	-	36,097.60	36,097.60	-	45,410.42	45,410.42

34 E. 2. FAIR VALUE HIERARCHY - FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE

The following table analyses financial instruments measured at fair value at the reporting date, by the level in the fair value hierarchy into which the fair value measurement is categorised. The amounts are based on the values recognised in the statement of financial position.

(₹ in Million)

Financial instruments measured at fair value - recurring fair value measurements	As at March 31, 2023			
	Level 1	Level 2	Level 3	Total
Equity instruments	84.04	-	-	84.04
Debt Instruments	-	83.31	-	83.31
Alternate Investment Funds	-	-	430.04	430.04
Total Assets	84.04	83.31	430.04	597.39

(₹ in Million)

Financial instruments measured at fair value - recurring fair value measurements	As at March 31, 2022			
	Level 1	Level 2	Level 3	Total
Equity instruments	184.08	-	-	184.08
Debt Instruments	-	545.88	-	545.88
Alternate Investment Funds	-	-	350.99	350.99
Total Assets	184.08	545.88	350.99	1,080.95

Notes forming part of Standalone Financial Statements

for the year ended March 31, 2023 (Contd.)

34 E. 3. VALUATION METHODOLOGIES OF FINANCIAL INSTRUMENTS NOT MEASURED AT FAIR VALUE

The following table sets out the fair values of financial instruments not measured at fair value and analyses them by the level in the fair value hierarchy into which each fair value measurement is categorised.

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Company's financial statements. These fair values were calculated for disclosure purposes only.

Short-term financial assets and liabilities

For financial assets and financial liabilities that have a short-term nature, the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include: cash and bank balances, trade receivables, other receivables, balances other than cash and cash equivalents and trade payables.

(₹ in Million)

Particulars	As at March 31, 2023			As at March 31, 2022		
	Carrying Value	Fair Value	Fair Value Hierarchy	Carrying Value	Fair Value	Fair Value Hierarchy
Assets						
Cash and cash equivalents	1,383.15	1,383.15	-	10,731.86	10,731.86	-
Bank Balance other than above	26,634.42	26,634.42	-	26,182.50	26,182.50	-
Receivables						
(I) Trade receivables	184.43	184.43	-	226.79	226.79	-
(II) Other receivables	114.82	114.82	-	103.68	103.68	-
Loans	4,950.86	4,950.86	-	4,884.24	4,884.24	-
Investment in Associates	-	-	-	-	-	-
Security deposit with landlord	236.80	217.55	Level 3	209.47	196.51	Level 3
Security deposit others	32.54	32.54	-	16.16	16.16	-
Other financial asset	11,663.61	11,663.61	-	9,381.83	9,381.83	-
Total Assets	45,200.63	45,181.38		51,736.53	51,723.57	
Liabilities						
Trade payables	16.96	16.96	-	9.62	9.62	-
Other payables	676.62	676.62	-	829.88	829.88	-
Borrowings (Other than debt securities)	3,079.59	3,079.59	-	3,362.89	3,362.89	-
Security deposit from tenants	3.53	1.85	Level 3	3.07	3.07	Level 3
Security deposit others	392.96	392.96	-	486.09	486.09	-
Other financial liabilities	31,927.94	31,927.94	-	40,718.87	40,718.87	-
Total Liabilities	36,097.60	36,095.92		45,410.42	45,410.42	

34 E. 4. MOVEMENTS IN LEVEL 3 FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE :

(₹ in Million)

Particulars	Equity Shares	Preference Shares	Alternate Investment fund	Debts Instruments	Total
Balances as at April 1, 2022	-	-	350.99	-	350.99
Purchase	-	-	49.94	-	49.94
Sale/Redemption of financial instrument	-	-	-	-	-
Total gain /(losses) recognised in profit and loss	-	-	29.11	-	29.11
Balances as at March 31, 2023	-	-	430.04	-	430.04



Notes forming part of Standalone Financial Statements

for the year ended March 31, 2023 (Contd.)

(₹ in Million)

Particulars	Equity Shares	Alternate Investment fund	Debts Instruments	Total
Balances as at April 1, 2021	33.48	303.12	42.80	379.40
Purchase	-	150.03	-	150.03
Sale/Redemption of financial instrument	(33.48)	(73.98)	(45.07)	(152.53)
Total gain/(losses) recognised in profit and loss	-	(28.18)	2.27	(25.91)
Balances as at March 31, 2022	-	350.99	-	350.99

34 E. 5. MEASUREMENT OF FAIR VALUE

The fair values of Investments in Equity share and Bonds is based on last traded price and Alternate Investment Fund, Mutual Funds is based on the net asset value (NAV) as stated by the issuers of these alternate asset funds in the published statements as at the Balance Sheet date. NAV represents the price at which the issuer will issue further units of alternate asset fund and the price at which issuers will redeem such units from the investors.

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

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

Notes forming part of Standalone Financial Statements

for the year ended March 31, 2023 (Contd.)

NOTE 35 : RELATED PARTY TRANSACTION

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

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

Nature of relationship	Name of party
Directors & their relatives	Mr. R. Venkataraman – Chairman & Managing Director
	Mr. Narendra Jain - Whole Time Director
	Mr. Anand Bathiya - Independent Director
	Mr. Viswanathan Krishnan - Independent Director
	Ms. Rekha Warriar - Independent Director
	Mrs. Aditi Athavankar (wife of Mr. R. Venkataraman)
	Mr. Shamik Das Sharma - Independent Director
	Subsidiaries Company
	India Infoline Foundation (a section 8 Company)
	Livlong Insurance Brokers Limited (Formerly IIFL Insurance Brokers Limited)
	IIFL Management Services Limited
	Livlong Protection & Wellness Solutions Limited (Formerly IIFL Corporate Services Limited) (Formerly IIFL Asset Reconstruction Limited)
	IIFL Facilities Services Limited
	IIFL Capital Inc
	IIFL Securities Services IFSC Limited
	IIFL Wealth (UK) Limited
	Meenakshi Towers LLP
Step Down Subsidiaries	Shreyans Foundation LLP
Associate Company	Giskard Datatech Private Limited (November 06, 2020 till December 30, 2021)
Other Related Parties	IIFL Finance Limited
	IIFL Sales Limited
	5paisa Capital Limited
	IIFL Home Finance Limited
	360 ONE Wam Limited (Formerly known as IIFL Wealth Management Limited)
	IIFL Asset Management Limited
	IIFL Wealth Distribution Services Limited (Formerly known as IIFL Distribution Services Limited)
	Mrs. Madhu Jain - (wife of Nirmal Jain)

(B) Significant Transactions with Related Parties

Nature of transaction	(₹ in Million)	
	FY 2022-23	FY 2021-22
Purchase of Investment:-		
a) Other Related Parties		
IIFL Finance Limited	-	500.00
IIFL Home Finance Limited	-	82.93
Sale of Investment:-		
a) Subsidiaries		
Livlong Protection & Wellness Solutions Limited	-	2.67
b) Other Related Parties		
IIFL Finance Limited	-	40.90
Brokerage Income/Delayed Payin Charges, etc. :-		
a) Subsidiaries		
IIFL Facilities Services Limited	0.37	0.10
IIFL Management Services Limited	1.85	1.95



Notes forming part of Standalone Financial Statements

for the year ended March 31, 2023 (Contd.)

(₹ in Million)

Nature of transaction	FY 2022-23	FY 2021-22
b) Other Related Parties		
IIFL Finance Limited	2.61	0.88
c) Directors & their relatives , Key Managerial Personnel		
Madhu Jain	0.02	-
Mrs. Aditi Athavankar	0.06	0.01
R. Venkataraman	0.86	0.38
Narendra Jain	0.00	0.00
Interest Income - Inter Corporate Deposit/Others :-		
a) Subsidiaries		
Livlong Protection & Wellness Solutions Limited	0.13	-
IIFL Commodities Limited	4.12	-
IIFL Management Services Limited	13.21	77.25
IIFL Facilities Services Limited	0.92	2.17
b) Other Related Parties		
IIFL Finance Limited	-	0.65
Distribution Income:-		
a) Subsidiaries		
IIFL Management Services Limited	1.40	12.00
Livlong Protection & Wellness Solutions Limited	0.04	-
b) Other Related Parties		
IIFL Finance Limited	69.30	229.85
IIFL Asset Management Limited	169.41	73.91
IIFL Home Finance Limited*	(5.78)	238.92
5Paisa Capital Limited	-	47.72
Remuneration:-		
Directors	66.51	49.91
Director's commission / Sitting Fees:-		
Anand Bhatiya	1.57	0.51
Rekha Warriar	1.54	0.41
Viswanathan Krishnan	1.59	0.48
Shamik Das Sharma	1.32	0.35
Rent Income :-		
a) Other Related Parties		
5Paisa Capital Limited	6.18	6.14
Dividend Income:-		
a) Subsidiaries		
Livlong Insurance Brokers Limited	200.00	185.00
IIFL Commodities Limited	-	7.52
IIFL Facilities Services Limited	225.00	270.00
Interest Expenses on Inter Corporate Deposit:-		
a) Subsidiaries		
IIFL Facilities Services Limited	1.20	0.81
b) Other Related Parties		
IIFL Finance Limited	51.33	47.55
IIFL Home Finance Limited	1.51	-
Corporate Social Responsibility Expenses:-		
a) Subsidiaries		
India Infoline Foundation	51.92	25.09

Notes forming part of Standalone Financial Statements

for the year ended March 31, 2023 (Contd.)

Nature of transaction	FY 2022-23	FY 2021-22
		(₹ in Million)
Rent Expenses		
a) Subsidiaries		
IIFL Facilities Services Limited	200.35	237.23
b) Other Related Parties		
360 ONE Wan Limited	46.03	46.03
c) Director or their relatives		
Mrs. Aditi Athavankar	2.40	2.40
Marketing /Commission & Brokerage / Technology expenses :-		
a) Subsidiaries		
IIFL Capital Inc	136.36	114.43
b) Other Related Parties		
360 ONE Wan Limited	1.02	28.11
IIFL Wealth Distribution Services Limited	0.09	-
c) Associate		
Giskard Datatech Private Limited	-	2.01
Inter Corporate Deposit Taken :-		
a) Subsidiaries		
IIFL Facilities Services Limited	3,245.00	1,020.00
b) Other Related Parties		
IIFL Finance Limited	10,650.00	17,390.00
IIFL Home Finance Limited	3,700.00	-
Inter Corporate Deposit Taken & Repaid :-		
a) Subsidiaries		
IIFL Facilities Services Limited	3,245.00	1,020.00
b) Other Related Parties		
IIFL Finance Limited	10,650.00	17,390.00
IIFL Home Finance Limited	3,700.00	-
Inter Corporate Deposit Given :-		
a) Subsidiaries		
IIFL Facilities Services Limited	760.00	1,498.50
IIFL Management Services Limited	1,520.00	4,316.80
IIFL Commodities Limited	60.00	-
Livlong Insurance Brokers Limited	-	0.50
Livlong Protection & Wellness Solutions Limited	10.00	-
b) Other Related Parties		
IIFL Finance Limited	-	2,000.00
Inter Corporate Deposit Given & Received Back :-		
a) Subsidiaries		
IIFL Facilities Services Limited	760.00	1,498.50
IIFL Management Services Limited	1,680.00	4,670.80
IIFL Commodities Limited	15.00	-
Livlong Insurance Brokers Limited	-	0.50
Livlong Protection & Wellness Solutions Limited	10.00	-
b) Other Related Parties		
IIFL Finance Limited	-	2,000.00
Deposit - Received Back		
a) Subsidiaries		
IIFL Facilities Services Limited	12.70	5.83



Notes forming part of Standalone Financial Statements

for the year ended March 31, 2023 (Contd.)

(₹ in Million)

Nature of transaction	FY 2022-23	FY 2021-22
Deposit - Taken		
a) Other Related Parties		
5Paisa Capital Limited	0.46	-
Allocation / Reimbursement of expenses Paid :-		
a) Subsidiaries		
IIFL Facilities Services Limited	22.11	26.71
IIFL Management Services Limited	0.68	0.92
b) Other Related Parties		
IIFL Home Finance Limited	6.59	3.99
IIFL Finance Limited	28.79	27.47
5paisa Capital Limited	13.97	-
Allocation / Reimbursement of expenses Received :-		
a) Subsidiaries		
IIFL Facilities Services Limited	-	0.09
Livlong Insurance Brokers Limited	4.65	27.50
Livlong Protection & Wellness Solutions Limited	9.83	37.22
IIFL Management Services Limited	0.33	0.04
b) Other Related Parties		
IIFL Sales Limited	0.15	-
IIFL Finance Limited	95.01	92.41
IIFL Home Finance Limited	32.12	44.64
5paisa Capital Limited	54.53	56.94
Others Paid :-		
a) Subsidiaries		
IIFL Facilities Services Limited	0.15	2.01
Livlong Protection & Wellness Solutions Limited	0.11	1.85
IIFL Commodities Limited	0.01	0.15
IIFL Management Services Limited	0.40	0.04
Livlong Insurance Brokers Limited	1.78	0.16
India Infoline Foundation	0.10	-
b) Other Related Parties		
IIFL Finance Limited	7.83	7.27
5paisa Capital Limited	3.71	2.53
IIFL Home Finance Limited	3.61	2.82
360 ONE Wam Limited	-	0.05
Others Received :-		
a) Subsidiaries		
IIFL Facilities Services Limited	0.71	0.38
IIFL Commodities Limited	-	0.42
IIFL Management Services Limited	0.60	0.13
Livlong Protection & Wellness Solutions Limited	2.76	0.66
India Infoline Foundation	0.20	-
Livlong Insurance Brokers Limited	1.78	1.10
IIFL Securities Services IFSC Limited	0.63	0.68
b) Other Related Parties		
IIFL Finance Limited	8.30	19.68
IIFL Sales Limited	0.02	0.03
5paisa Capital Limited	2.16	2.37
IIFL Home Finance Limited	2.12	3.18

Notes forming part of Standalone Financial Statements

for the year ended March 31, 2023 (Contd.)

C) Closing Balance

Nature of transaction	(₹ in Million)	
	As at March 31, 2023	As at March 31, 2022
Sundry Payable :-		
a) Subsidiaries		
IIFL Capital Inc	32.85	29.37
IIFL Management Services Limited	0.08	-
IIFL Commodities Limited	0.00	0.00
IIFL Facilities Services Limited	1.08	-
b) Other Related Parties		
IIFL Finance Limited	6.94	-
IIFL Home Finance Limited	0.36	-
5Paisa Capital limited	6.98	-
360 ONE Wam Limited	-	4.14
c) Director & their relatives, Key Managerial Persons		
Mrs. Aditi Athavankar	-	0.00
Madhu Jain	6.31	-
Security Deposit Taken		
a) Other Related Parties		
5paisa Capital Limited	3.53	3.07
Sundry Receivable :-		
a) Subsidiaries		
IIFL Facilities Services Limited	-	0.03
IIFL Management Services Limited	-	2.81
India Infoline Foundation	0.10	-
Livlong Protection & Wellness Solutions Limited	14.11	26.16
IIFL Securities Services IFSC Limited	3.11	2.49
Livlong Insurance Brokers Limited	1.20	0.09
b) Other Related Parties		
IIFL Home Finance Limited	-	0.01
IIFL Finance Limited	-	12.60
IIFL Asset Management Limited	0.78	22.96
IIFL Sales Limited	0.00	0.04
5paisa Capital Limited	-	3.71
India Infoline Foundation	-	9.33
c) Director		
R. Venkataraman	0.00	0.02
Inter Corporate Deposit Given:-		
a) Subsidiaries		
IIFL Management Services Limited	-	160.00
IIFL Commodities Limited	45.00	-



Notes forming part of Standalone Financial Statements

for the year ended March 31, 2023 (Contd.)

(₹ in Million)

Nature of transaction	As at March 31, 2023	As at March 31, 2022
Security Deposit Given:-		
a) Subsidiaries		
IIFL Facilities Services Limited	100.70	113.40
b) Director & their relatives		
Mrs. Aditi Athavankar	50.00	50.00
Interest accrued but not due:-		
a) Other related parties		
IIFL Finance Limited	-	19.67
IIFL Home Finance Limited	3.31	3.31
Investment in market linked debenture:-		
a) Other related parties		
IIFL Finance Limited	-	443.00
IIFL Home Finance Limited	80.00	80.00
Investment in equity shares of subsidiaries:-		
IIFL Facilities Services Limited	321.40	321.40
IIFL Commodities Limited	20.00	20.00
Livlong Insurance Brokers Limited	43.41	43.41
IIFL Management Services Limited	10.00	10.00
IIFL Wealth (UK) Limited	11.20	11.20
IIFL Capital Inc	40.29	40.29
Livlong Protection & Wellness Solutions Limited	41.93	41.93
IIFL Securities Services IFSC Limited	5.00	5.00

*Negative amount represents clawback.

Note:

- Amount is less than ₹ 0.01 Million, hence shown ₹ 0.00 Million, wherever applicable.
- As the future liability for retirement and other employee benefits is provided on an actuarial basis for the Company as a whole, the amount pertaining to directors and key managerial personnel is not included above.
- Giskard Datatech Private Limited Associate from November 06, 2020 till December 30, 2021.
- 360 ONE Wam Limited (Formerly known as IIFL Wealth Management Limited) has provided a letter of undertaking-cum-indemnity to the Company towards a civil suit pending against IIFL Wealth (UK)Ltd., a wholly owned subsidiary of the Company, inter-alia, to defend the said suit and indemnify the Company and its directors against claims, if any, arising from the same.

NOTE 36 : DISCLOSURE AS PER IND AS -108 "SEGMENT REPORTING"

The Company's business is to provide capital market services in primary & secondary market. All other activities of the Company are ancillary to the main business. As such, there are no reportable segments that need to be reported separately as defined in Ind AS 108, Operating Segments.

Notes forming part of Standalone Financial Statements

for the year ended March 31, 2023 (Contd.)

NOTE 37 : THE TABLE BELOW SHOWS AN ANALYSIS OF ASSETS AND LIABILITIES ANALYSED ACCORDING TO WHEN THEY ARE EXPECTED TO BE RECOVERED OR SETTLED.

(₹ in Million)

Particulars	As at March 31, 2023			As at March 31, 2022		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS						
(1) Financial Assets						
(a) Cash and cash equivalents	1,383.15	-	1,383.15	10,731.86	-	10,731.86
(b) Bank Balance other than above	24,232.14	2,402.28	26,634.42	24,978.11	1,204.39	26,182.50
(c) Receivables						
(I) Trade receivables	184.43	-	184.43	226.79	-	226.79
(II) Other receivables	114.82	-	114.82	103.68	-	103.68
(d) Loans	4,905.86	45.00	4,950.86	4,724.24	160.00	4,884.24
(e) Investments	301.09	789.53	1,090.62	715.81	858.37	1,574.18
(f) Other financial assets	11,699.85	233.10	11,932.95	9,391.00	216.47	9,607.47
Sub-total	42,821.34	3,469.91	46,291.25	50,871.49	2,439.23	53,310.72
(2) Non-Financial Assets						
(a) Current tax assets (net)	-	204.31	204.31	-	178.50	178.50
(b) Deferred tax assets (net)	-	193.58	193.58	-	174.27	174.27
(c) Property, Plant and Equipment	-	99.69	99.69	-	129.66	129.66
(d) Capital work-in-progress	-	6.49	6.49	-	10.99	10.99
(e) Other intangible assets	-	718.52	718.52	-	928.64	928.64
(f) Right-of-use assets	-	280.84	280.84	-	547.76	547.76
(g) Other non-financial assets	246.63	6.52	253.15	101.15	9.27	110.42
Sub-total	246.63	1,509.95	1,756.58	101.15	1,979.09	2,080.24
Total Assets	43,067.97	4,979.86	48,047.83	50,972.64	4,418.32	55,390.96
LIABILITIES						
(1) Financial Liabilities						
(a) Payables						
(I) Trade payables						
(i) Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	16.96	-	16.96	9.62	-	9.62
(II) Other payables						
(i) Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-



Notes forming part of Standalone Financial Statements

for the year ended March 31, 2023 (Contd.)

(₹ in Million)

Particulars	As at March 31, 2023			As at March 31, 2022		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	676.62	-	676.62	829.88	-	829.88
(b) Borrowings (Other than debt securities)	3,079.59	-	3,079.59	3,362.89	-	3,362.89
(c) Other financial liabilities	31,774.25	550.18	32,324.43	40,515.71	692.32	41,208.03
Sub-total	35,547.42	550.18	36,097.60	44,718.10	692.32	45,410.42
(2) Non-Financial Liabilities						
(a) Current tax liabilities (net)	39.85	-	39.85	122.17	-	122.17
(b) Provisions	9.19	47.63	56.82	12.41	45.35	57.76
(c) Other non-financial liabilities	351.13	-	351.13	308.53	-	308.53
Sub-total	400.17	47.63	447.80	443.11	45.35	488.46
(3) Equity						
(a) Equity share capital	-	611.06	611.06	-	607.87	607.87
(b) Other equity	-	10,891.37	10,891.37	-	8,884.21	8,884.21
Sub-total	-	11,502.43	11,502.43	-	9,492.08	9,492.08
Total Liabilities and Equity	35,947.59	12,100.24	48,047.83	45,161.21	10,229.75	55,390.96

NOTE 38 : 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.

Notes forming part of Standalone Financial Statements

for the year ended March 31, 2023 (Contd.)

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 March 30, 2021 has deferred the implementation of the said Code and the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will account for the related impact in the period the Code becomes effective.

NOTE 40 : DISCLOSURE OF FINANCIAL RATIOS

Additional regulatory information required under (WB)(xvi) of Division III of Schedule III amendment, disclosure of ratios, is not applicable to the Company as it is in broking business and not an NBFC registered under Section 45-IA of Reserve Bank of India Act, 1934.

NOTE 41 : OTHER DISCLOSURE UNDER SCHEDULE - III

- 1) No funds have been advanced or loaned or invested by the company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- 2) No funds have been received by the company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- 3) The Company does not have any long-term contracts including derivative contracts for which there are any material foreseeable losses.
- 4) There were no amounts which were required to be transferred to the Investor Education and Protection by the Company.
- 5) No proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988).
- 6) The Company has not been declared as wilful defaulter by any bank or financial Institution or other lender.
- 7) During the year, the company has not entered into any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
- 8) There are no transactions which have not been recorded in the books of accounts and which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- 9) The quarterly returns / statements of current assets filed by the Company, with banks from whom borrowings have been availed on the the basis of security of current assets, are in agreement with the books of account.
- 10) There are no charges or satisfaction yet to be registered with the registrar of companies beyond the statutory period.
- 11) The company does not have layers beyond the number prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.
- 12) The company has not traded or invested in Crypto Currency or Virtual Currency during the financial year.



Notes forming part of Standalone Financial Statements

for the year ended March 31, 2023 (Contd.)

NOTE 42 : DEMERGER OF ONLINE RETAIL TRADING BUSINESS TO 5PAISA CAPITAL LIMITED

The Board in its meeting held on Tuesday, December 06, 2022 had considered and approved the Scheme of Arrangement between IIFL Securities Limited ("Demerged Company") and 5paisa Capital Limited ("Resulting Company") and their respective shareholders and creditors ("Scheme"). The Scheme, inter alia, provides for the demerger, transfer and vesting of the Online Retail Trading Business of the Demerged Company into the Resulting Company, on a going concern basis (with effect from the appointed date April 01, 2023) and in consideration thereof, the Resulting Company shall issue its equity shares to the shareholders of the Demerged Company. These shares shall be listed on Bombay Stock Exchange Limited and the National Stock Exchange of India Limited (collectively referred to as "Stock Exchanges"). The Scheme is, inter alia, subject to receipt of the statutory, regulatory and customary approvals, including approvals from stock exchanges, National Company Law Tribunal, Mumbai Bench and the shareholders and creditors of the companies involved in the scheme.

For V Sankar Aiyar & Co.

Chartered Accountants

Firm's Registration No.109208W

For and on behalf of Board of Directors

S. Nagabushanam

Partner

Membership No.: 107022

R. Venkataraman

Chairman and Managing Director

(DIN: 00011919)

Narendra Jain

Whole Time Director

(DIN: 01984467)

Place : Mumbai

Dated : April 24, 2023

Ronak Gandhi

Chief Financial Officer

Meghal Shah

Company Secretary

Independent Auditor's Report

To the Members of IIFL Securities Limited

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying consolidated Ind AS financial statements of IIFL Securities Limited (hereinafter referred to as the 'Holding Company') and its subsidiary LLPs, and subsidiary Companies (Holding Company and its subsidiary LLPs and subsidiary companies together referred to as "the Group"), which comprise the consolidated Balance Sheet as at March 31, 2023, the consolidated Statement of Profit and Loss, consolidated Statement of Changes in Equity and the consolidated Cash Flows statement for the year then ended, and notes to the consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act and the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2023, of consolidated profit, of consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

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

Key Audit Matter	Response to Key Audit Matter
<p>Information technology (IT) systems used in financial reporting process.</p> <p>The Holding company's operational and financial processes are dependent on IT systems due to large volume of transactions that are processed daily.</p> <p>We therefore identified IT systems and controls over financial reporting as a key audit matter for the Holding Company.</p>	<p>We obtained an understanding of the Holding Company's IT control environment relevant to the audit.</p> <p>We tested the design, implementation and operating effectiveness of the Holding Company's General IT controls over the key IT systems which are critical to financial reporting.</p> <p>We also tested key automated and manual controls and logic for system generated reports relevant to the audit that would materially impact the financial statements.</p> <p>In addition to above, we have also relied on the work of the internal auditors and system auditors.</p>

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

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

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

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



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

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

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Companies Act, 2013 (the Act) that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies and Management of the LLPs included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

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

The respective Board of Directors of the companies and Management of the LLPs included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it

exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

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

Other Matters

We did not audit the financial statements of one subsidiary company, two subsidiary LLPs and one wholly owned subsidiary company outside India, whose financial statements reflect total assets of ₹ 725.84 Millions as at March 31, 2023, total revenues of ₹ 851.58 Millions and net cash inflows amounting to ₹ 27.83 Millions for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of those subsidiary LLPs, and subsidiary companies, and our report in terms of sub-section (3) and (11) of section 143 of the Act, in so far as it relates to the aforesaid subsidiary LLPs and subsidiary companies, is based solely on the reports of the other auditors.

The Consolidated Financial Statements include the unaudited financial statements of one subsidiary outside India, whose financial statements reflect Group's share of total assets of ₹ 21.22 Millions as at March 31, 2023, Group's share of total revenue of ₹ Nil for the year ended March 31, 2023 and Group's share of total net loss after tax of ₹ 0.72 Millions for the year ended March 31, 2023, as considered in the

consolidated financial statement. These Unaudited Financial Statements have been furnished to us by the management of the said subsidiary and our opinion on the consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and jointly controlled entities is based solely on such Unaudited Financial Statements. In our opinion and according to the information and explanations given to us by the management, these Financial Statements are not material to the Group.

Our opinion on the Consolidated Financial Statements is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the Financial Statements certified by the management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated statement of changes in equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2023 taken on record by the Board of Directors of the Holding Company and its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of internal financial controls over financial reporting of the Companies incorporated in India and included in the Group and the operating effectiveness of such controls, refer to our separate report in Annexure.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with



the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the holding Company and its subsidiary companies incorporated in India to its managing director during the year is in accordance with the provisions of section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 36 to the consolidated financial statements;
 - ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses Refer Note 46(iii) to the consolidated financial statements;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiary companies incorporated in India Refer Note 46(iv) to the consolidated financial statements;
- iv. (a) The respective Managements of the Holding Company, its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company, its subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries Refer Note 46(i) to the consolidated financial statements.;
- (b) The respective Managements of the Holding Company, its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds have been received by the Holding

Company, its subsidiaries from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company, its subsidiaries shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries Refer Note 46(ii) to the consolidated financial statements.;

- (c) In our opinion and based on the audit procedures we have considered reasonable and appropriate in the circumstances performed by us on the Holding Company, its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
 - v. The interim dividend declared and paid by the Group during the year and until the date of this report is in compliance with Section 123 of the Act.
 - 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.
2. With respect to the matters specified in paragraphs 3 (xxi) and 4 of the Companies (Auditor's Report Order, 2020 (the "Order"/ "CARO") issued by Central Government in terms of Section 143(11) of the Act, to be included in the Auditors report, according to the information and explanation given to us, and based on the CARO report issued by us for the Holding Company and five subsidiaries and one subsidiary audited by another auditor which are companies incorporated in India, included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

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

(S Nagabushanam)

(M.No.107022)

Place: Mumbai

Date: April 24, 2023

UDIN: 23107022BGXGSH4853

Annexure to the Independent Auditor's Report

Annexure referred to in our report of even date to the members of IIFL Securities Limited on the consolidated accounts for the year ended March 31, 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 Securities Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies incorporated in India (hereinafter collectively referred to as "the Group") as of March 31, 2023, which are companies incorporated in India, as of that date

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary companies are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

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

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent and its subsidiary companies which are incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls,



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

Opinion

In our opinion to the best of our information and according to the explanations given to us, the Holding Company, its subsidiary companies incorporated in India have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over

financial reporting were operating effectively as at March 31, 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)
(M.No.107022)

Place: Mumbai
Date: April 24, 2023

UDIN: 23107022BGXGSH4853

Consolidated Balance Sheet

as at March 31, 2023

Particulars	Note No.	(₹ in Million)	
		As at March 31, 2023	As at March 31, 2022
ASSETS			
(1) Financial Assets			
(a) Cash and cash equivalents	3	1,694.40	10,948.28
(b) Bank Balance other than (a) above	4	26,674.00	26,453.23
(c) Receivables			
(I) Trade receivables	5	221.89	282.41
(II) Other receivables	5	313.72	177.61
(d) Loans	6	4,905.86	4,733.31
(e) Investments	7	901.71	2,275.48
(f) Other financial assets	8	12,279.90	9,897.35
Sub-total		46,991.48	54,767.67
(2) Non-Financial Assets			
(a) Current tax assets		322.22	380.49
(b) Deferred tax assets (net)	9	303.35	236.49
(c) Investment property	10	765.79	765.79
(d) Property, Plant and Equipment	11	2,617.80	2,853.09
(e) Capital work-in-progress	11	6.55	25.49
(f) Other intangible assets	12	727.25	928.83
(g) Right of use asset	13	285.01	273.77
(h) Other non-financial assets	14	354.55	178.87
Sub-total		5,382.52	5,642.82
Total Assets		52,374.00	60,410.49
LIABILITIES AND EQUITY			
LIABILITIES			
(1) Financial Liabilities			
(a) Payables			
(I) Trade payables			
(i) Total outstanding dues of micro enterprises and small enterprises		-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	15	25.22	16.55
(II) Other payables			
(i) Total outstanding dues of micro enterprises and small enterprises		-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	15	863.38	928.08
(b) Borrowings (other than debt securities)	16	4,858.43	6,070.41
(c) Other financial liabilities	17	32,415.19	40,964.45
Sub-total		38,162.22	47,979.49
(2) Non-Financial Liabilities			
(a) Current tax liabilities		71.20	140.49
(b) Provisions	18	66.11	63.70
(c) Other non-financial liabilities	19	576.99	408.89
Sub-total		714.30	613.08
(3) Equity			
(a) Equity share capital	20	611.06	607.87
(b) Other equity	21	12,891.73	11,211.89
(c) Non controlling interest	22	(5.31)	(1.84)
Sub-total		13,497.48	11,817.92
Total Liabilities and Equity		52,374.00	60,410.49

See accompanying notes forming part of the consolidated financial statements

1 - 47

As per our attached report of even date

For V Sankar Aiyar & Co.

Chartered Accountants
Firm's Registration No.109208W

For and on behalf of Board of Directors
S. Nagabushanam

Partner
Membership No.: 107022

R. Venkataraman

Chairman and Managing Director
(DIN: 00011919)

Narendra Jain

Whole Time Director
(DIN: 01984467)

Place : Mumbai

Dated : April 24, 2023

Ronak Gandhi

Chief Financial Officer

Meghal Shah

Company Secretary



Consolidated Statement of Profit and Loss

for the year ended March 31, 2023

(₹ in Million)

Particulars	Note No.	For the year ended March 31, 2023	For the year ended March 31, 2022
1. Revenue from operations			
(a) Interest income	23	2,024.89	1,794.13
(b) Rental income		173.13	159.85
(c) Fees and commission income	24	11,322.79	10,369.29
Total revenue from operations (a+b+c)		13,520.81	12,323.27
2. Other income	25	183.04	840.84
3. Total income (1+2)		13,703.85	13,164.11
4. Expenses			
(a) Finance costs	26	755.55	1,015.33
(b) Fees and commission expense	27	2,738.73	2,103.57
(c) Employee benefits expenses	28	3,581.27	3,240.56
(d) Depreciation, amortization and impairment	29	668.36	634.56
(e) Other expenses	30	2,551.21	2,150.51
Total expenses (a+b+c+d+e)		10,295.12	9,144.53
5. Profit before share of profit of associates and joint ventures (3 - 4)		3,408.73	4,019.58
6. Share of profit of associates and joint ventures		-	1.45
7. Profit before tax (5+6)		3,408.73	4,021.03
8. Tax expense:			
(a) Current Tax	31	969.33	998.28
(b) Deferred Tax	31	(56.05)	(22.94)
(c) Short/excess	31	(2.65)	(12.62)
Total tax expenses (a+b+c)		910.63	962.72
9. Profit for the period (7 - 8)		2,498.10	3,058.31
Attributable to:			
Owners of the Company		2,501.57	3,060.57
Non controlling interest		(3.47)	(2.26)
10. Other Comprehensive Income			
(A)			
(i) Items that will not be reclassified to profit or loss			
a) Remeasurements of the defined benefit plans		(23.59)	(2.14)
(ii) Income tax relating to items that will not be reclassified to profit or loss		5.94	0.54
Subtotal (A)		(17.65)	(1.60)
(B)			
(i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
Subtotal (B)		-	-
Other Comprehensive Income (A + B)		(17.65)	(1.60)
11. Total Comprehensive Income for the period (9 + 10)		2,480.45	3,056.71
Attributable to:			
Owners of the Company		2,483.92	3,058.97
Non controlling interest	22	(3.47)	(2.26)
Earnings per equity share			
Basic (in ₹)	32	8.22	10.09
Diluted (in ₹)	32	8.16	9.94

See accompanying notes forming part of the consolidated financial statements

1 - 47

As per our attached report of even date

For V Sankar Aiyar & Co.

Chartered Accountants

Firm's Registration No.109208W

For and on behalf of Board of Directors

S. Nagabushanam

Partner

Membership No.: 107022

R. Venkataraman

Chairman and Managing Director

(DIN: 00011919)

Narendra Jain

Whole Time Director

(DIN: 01984467)

Place : Mumbai

Dated : April 24, 2023

Ronak Gandhi

Chief Financial Officer

Meghal Shah

Company Secretary

Consolidated Statement of Changes in Equity

for the year ended March 31, 2023

A. Equity share capital

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	(₹ in Million)	No. of Shares	(₹ in Million)
At the beginning of the year	303,936,230	607.87	302,935,330	605.87
Changes in Equity Share Capital due to prior period errors	-	-	-	-
Restated balance at the beginning of the current reporting period	-	-	-	-
Add: Shares issued during the year under ESOP Scheme	1,592,736	3.19	1,000,900	2.00
Closing at the end of year	305,528,966	611.06	303,936,230	607.87

B. Other equity

Particulars	Reserves and Surplus					Share options outstanding account	Other items of other comprehensive income	Exchange differences on translating the financial statements of a foreign operation	Total
	General reserve	Capital redemption reserve	Capital reserve	Securities premium	Retained earnings				
Balance as at April 01, 2022	464.82	34.00	660.72	1,150.19	8,816.45	81.33	(12.75)	17.13	11,211.89
Changes in Equity Share Capital due to prior period errors	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period	-	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	2,501.57	-	(17.65)	-	2,483.92
Appropriation towards dividend paid	-	-	-	-	(914.56)	-	-	-	(914.56)
Transfer to/from reserves	14.52	-	-	23.62	-	(38.14)	-	-	-
Other additions	-	-	-	53.75	-	50.07	-	6.66	110.48
Balance as at March 31, 2023	479.34	34.00	660.72	1,227.56	10,403.46	93.26	(30.40)	23.79	12,891.73

(₹ in Million)



Consolidated Statement of Changes in Equity (Contd.)

for the year ended March 31, 2023

Particulars	Reserves and Surplus					Share options outstanding account	Other items of other comprehensive income	Exchange differences on translating the financial statements of a foreign operation	Total
	General reserve	Capital redemption reserve	Capital reserve	Securities premium	Retained earnings				
Balance as at April 01, 2021	461.48	34.00	660.72	1,199.17	6,667.30	46.52	(11.15)	13.47	9,071.51
Changes in Equity Share Capital due to prior period errors	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period	-	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	3,060.57	-	(1.60)	-	3,058.97
Appropriation towards dividend paid	-	-	-	-	(911.58)	-	-	-	(911.58)
Transfer to/from reserves	3.34	-	-	-	-	(3.34)	-	-	-
Share issue expenses	-	-	-	(83.30)	-	-	-	-	(83.30)
Other additions	-	-	-	34.32	0.16	38.15	-	3.66	76.29
Balance as at March 31, 2022	464.82	34.00	660.72	1,150.19	8,816.45	81.33	(12.75)	17.13	11,211.89

See accompanying notes forming part of the consolidated financial statements (1 - 47)

As per our attached report of even date

For V Sankar Aiyar & Co.

Chartered Accountants

Firm's Registration No. 109208W

S. Nagabushanam

Partner

Membership No.: 107022

Place : Mumbai

Dated : April 24, 2023

For and on behalf of Board of Directors

R. Venkataraman

Chairman and Managing Director

(DIN: 00011919)

Ronak Gandhi

Chief Financial Officer

Narendra Jain

Whole Time Director

(DIN: 01984467)

Meghal Shah

Company Secretary

Consolidated 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 flows from operating activities		
Net profit before taxation	3,408.73	4,021.03
Adjustments for:		
Depreciation, amortisation and impairment	668.36	634.56
Interest expenses	755.55	1,015.33
Foreign exchange fluctuation	6.66	3.66
Net loss/ (gain) on termination of lease	0.56	(5.73)
Employee share based payment	50.09	38.15
Provision for gratuity	9.40	(7.00)
Provision for leave encashment	66.11	63.70
Provision for expenses	853.48	893.85
Dividend income	(2.99)	(16.75)
Share of (profit)/loss of associates and joint ventures	-	(1.45)
Interest income	(26.14)	(162.59)
Net (gain)/loss on financial instrument	(51.25)	(433.21)
Net (gain) on sale of fixed assets	(29.10)	(107.62)
Operating profit before working capital changes	5,709.46	5,935.93
(Increase)/decrease in other bank balances	(451.92)	(12,214.50)
(Increase)/decrease in loans	(172.55)	(3,752.90)
(Increase)/decrease in trade and other receivables	(75.59)	(8.47)
(Increase)/decrease in other financial assets	(2,415.54)	(19.99)
(Increase)/decrease in inventories	-	23.25
(Increase)/decrease in other non-financial assets	(175.68)	261.80
Increase/(decrease) in trade and other payable	(909.52)	(363.54)
Increase/(decrease) in other financial liabilities	(8,560.50)	18,763.96
Increase/(decrease) in provisions	(63.70)	(47.32)
Increase/(decrease) in non-financial liabilities	168.10	190.88
Cash (used in) / generated from operations	(6,947.44)	8,769.10
Current tax expense	(982.58)	(820.01)
Net cash (used in) / generated from operating activities (A)	(7,930.02)	7,949.09
Cash flows from investing activities		
Purchase of fixed assets	(131.63)	(178.26)
Sale of fixed assets	77.53	452.68
(Investment)/redemption of fixed deposit	231.15	(243.95)
Interest income	26.04	114.23
Dividend income	2.99	16.75
(Purchase)/Sale of Current Investment (net)	1,002.16	(778.19)
Purchase of Investment	(54.93)	(3,211.46)
Sale of Investment	477.88	2,970.36
Net cash generated / (used in) in investing activities (B)	1,631.19	(857.84)
Cash flows from financing activities		
Dividend paid	(914.56)	(911.58)
Proceeds from Borrowings	-	3,487.89
Repayment of Borrowings	(130.37)	(1,142.09)
Increase/(decrease) in short term borrowings	(1,083.37)	800.00
Proceed from issuance of share capital	56.94	36.32
Share issue expenses	-	(83.30)
Repayment of lease liabilities	(158.66)	(129.21)
Interest expenses	(725.03)	(981.61)
Net cash (used in)/ generated from financing activities (C)	(2,955.05)	1,076.42
Net (decrease)/ increase in cash and cash equivalents (A+B+C)	(9,253.88)	8,167.67
Cash and cash equivalents at the beginning of the year	10,948.28	2,780.61
Cash and cash equivalents at the end of the year	1,694.40	10,948.28

See accompanying notes forming part of the consolidated financial statements (1 - 47)

As per our attached report of even date

For V Sankar Aiyar & Co.

Chartered Accountants

Firm's Registration No.109208W

For and on behalf of Board of Directors
S. Nagabushanam

Partner

Membership No.: 107022

R. Venkataraman

Chairman and Managing Director

(DIN: 00011919)

Narendra Jain

Whole Time Director

(DIN: 01984467)

Place : Mumbai

Dated : April 24, 2023

Ronak Gandhi

Chief Financial Officer

Meghal Shah

Company Secretary



Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2023

Note 1. Corporate Information:

The financial statements comprise financial statements of IIFL Securities Limited ("the Holding Company") and its subsidiaries (collectively, the group) for the year ended March 31, 2023.

IIFL Securities Limited ("the Company") was incorporated on March 21, 1996. The Company is in financial services spaces offering equity, currency and commodity broking, depository participant services, merchant banking and distribution of financial products besides holding investments in subsidiaries. The group business also consist of financial services, facilities and ancillary services which are carried out by separate subsidiaries of the Company.

Information on other related party relationships of the group is provided in note 42.

Note: 1.1 Purpose and Basis of Accounting and Preparation of Financial Statements

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

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

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/ or disclosure purposes in these financial statements is determined on such a basis, except for share based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value but are not fair value, such value in use in Ind AS 36.

Fair value measurements under Ind AS are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance

of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at measurement date;
- Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the valuation of assets or liabilities.

a) Key Accounting Estimates And Judgements

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements. The Group makes certain judgments and estimates for valuation and impairment of financial instruments, fair valuation of employee stock options, useful life of property, plant and equipment, deferred tax assets, retirement benefit obligations and lease arrangements. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable.

b) Statement of compliance

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under Sec 133 of the Companies Act ("the Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter and under the historical cost convention on accrual basis except for certain financial instruments which are measured at fair value (refer accounting policy on financial instruments).

Accordingly, the Group has prepared these Consolidated Financial Statements which comprise the Balance Sheet as at March 31, 2023, the Statement of

Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2023 (Contd.)

Profit and Loss for the year ended March 31, 2022, the Statement of Cash Flows for the year ended March 31, 2023 and the Statement of Changes in Equity for the year ended as on that date, and accounting policies and other explanatory information (together hereinafter referred to as 'Consolidated Financial Statements' or 'financial statements'). All the accounting policies adopted by the Group have been consistently applied in all the financial years presented in these financial statements.

c) Basis of Preparation of financial statements:

These Financial Statements of the Group are presented as per Schedule III (Division III) of the Companies Act, 2013 applicable to NBFCs, as notified by the Ministry of Corporate Affairs (MCA). The Statement of Cash Flows

has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the Financial Statements along with the other notes required to be disclosed under the notified Accounting Standards. The Financial Statements are presented in million, except when otherwise indicated. Amount which is less than ₹ 0.01 million is shown as ₹ 0.00 million.

The Consolidated financial statements for the year ended March 31, 2023 are being authorized for issue in accordance with a resolution of the directors on April 24, 2023.

d) List of Subsidiaries Consolidated

The individual Balance Sheet as at March 31, 2023, Statement of Profit and Loss and cash flow statement for the year ended March 31, 2023 of following subsidiaries are included in consolidation:

Name of the entity	Country of Incorporation	% of holding and voting power either directly or indirectly through subsidiary	
		As at March 31, 2023	As at March 31, 2022
IIFL Commodities Limited	India	100%	100%
IIFL Management Services Limited	India	100%	100%
Livlong Insurance Brokers Limited (Formerly known as IIFL Insurance Brokers Limited)	India	100%	100%
IIFL Facilities Services Limited	India	100%	100%
IIFL Securities Services IFSC Limited	India	100%	100%
Livlong Protection & Wellness Solutions Limited (Formerly known as IIFL Corporate Services Limited) (Formerly known as IIFL Asset Reconstruction Limited)	India	95%	95%
IIFL Capital Inc.	United States of America	100%	100%
IIFL Wealth (UK) Limited	United Kingdom	100%	100%
Shreyans Foundation LLP	India	99%	99%
Meenakshi Towers LLP	India	100%	100%

Note 2. Significant Accounting Policies

a) Basis of consolidation

i) Subsidiaries

Company consolidates entities which it owns or controls. The consolidated financial statements comprise the financial statements of the Company

and subsidiaries as disclosed in Note 43. Control exists when the parent has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the



Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2023 (Contd.)

entity's returns. Subsidiaries are consolidated from the date control commences until the date control ceases. The financial statements of the Group Companies are consolidated on a line-by-line basis and intra-group balances and transactions including unrealised gain / loss from such transactions are eliminated upon consolidation. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies. Non-controlling interests, which represent part of the net profit or loss and net assets of subsidiaries that are not, directly or indirectly, owned or controlled by the Company, are excluded."

ii) Associates and joint ventures

An associate is an entity over which the Group has significant influence. A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture.

The Group's investments in its associate and joint venture are accounted for under the equity method. Under the equity method the investment in a joint venture is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Group's share of net assets of the joint venture since the acquisition date. Goodwill relating to the joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

If an entity's share of losses of an associate or a joint venture equals or exceeds its interest in the associate or joint venture (which includes any long term interest that, in substance, form part of the Group's net investment in the associate or joint venture), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. If the associate or joint venture subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the statement of profit and loss.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value, and then recognize the loss as 'Share of profit of a joint venture' in the consolidated statement of profit or loss.

Upon loss of joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the joint venture upon loss of joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group."

b) Business Combinations:

Business combinations (not involving entities under common control) are accounted for using the acquisition method. At the acquisition date, identifiable assets acquired and liabilities assumed are measured at fair value. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition date fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. The consideration transferred is measured at fair value at acquisition date and includes the fair value of any contingent consideration. However, deferred tax asset or liability and any liability or asset relating to employee benefit arrangements arising from a business combination are measured and recognized in accordance with the requirements of Ind AS 12, Income Taxes and Ind AS 19, Employee Benefits, respectively.

Where the consideration transferred exceeds the fair value of the net identifiable assets acquired and liabilities assumed, the excess is recorded as goodwill. Alternatively, in case of a bargain purchase wherein the consideration transferred is lower than the fair value of the net identifiable assets acquired and liabilities assumed, the difference is accumulated in equity as capital reserve. The costs of acquisition excluding those relating to issue of equity or debt securities are charged

Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2023 (Contd.)

to the Statement of Profit and Loss in the period in which they are incurred.

Business combinations involving entities under common control are accounted for using the pooling of interests method. The net assets of the transferor entity or business are accounted at their carrying amounts on the date of the acquisition subject to necessary adjustments required to harmonise accounting policies. Any excess or shortfall of the consideration paid over the share capital of transferor entity or business is recognised as capital reserve under other equity.

c) Goodwill:

Goodwill is an asset representing the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognized. Goodwill is initially measured at cost, being the excess of the consideration transferred over the net identifiable assets acquired and liabilities assumed, measured in accordance with Ind AS 103 – Business Combinations.

Goodwill is considered to have indefinite useful life and hence is not subject to amortization but tested for impairment at least annually. After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

d) Property, Plant & Equipment (PPE)

Measurement at recognition:

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

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

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

Expenses directly attributable to new manufacturing facility during its construction period are capitalized if the recognition criteria are met. Expenses related to plans, designs and drawings of buildings or plant and machinery is capitalized under relevant heads of property, plant and equipment if the recognition criteria are met.

Items such as spare parts, stand-by equipment and servicing equipment that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life. Costs in nature of repairs and maintenance are recognized in the Statement of Profit and Loss as and when incurred. Gains or losses arising from disposal or retirement of tangible Property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised net, within “Other Income” or “Other Expenses”, as the case maybe, in the Statement of Profit and Loss in the year of disposal or retirement. When the use of a property changes from owner-occupied to investment property, the property is reclassified as investment property as its carrying amount on the date of reclassification.”

On transition to Ind AS, the Group has elected to continue with the carrying value for all of its PPE recognized as at April 1, 2017 measured as per the previous GAAP and use that varying value as the deemed cost of the PPE.

Depreciation:

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

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



Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2023 (Contd.)

estimates, such change is accounted for as a change in an accounting estimate.

Estimates of useful lives of property, plant and equipment

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

* For these class of assets, based on internal assessment and independent technical evaluation carried out by external valuers the management believes that the useful lives as given above best represent the period over which management expects to use these assets. Hence the useful lives for these assets are different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013 Depreciation / Amortization is charged on pro-rata on monthly basis on assets, from / upto the month of capitalization / sale, disposal / earmarked for disposal."

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

Capital work in progress and Capital advances:

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

e) Intangible assets:

Measurement at Recognition:

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

value at the date of acquisition less accumulated impairment loss, if any.

Expenditure on software development eligible for capitalisation are carried as Intangible assets under development where such assets are not yet ready for their intended use.

On transition to Ind AS, the Group has elected to continue with the carrying value for all its intangible assets as recognised as at April 1, 2017 measured as per the previous GAAP and use that carrying value as the deemed cost of the Intangible Assets.

Amortization:

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

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

Estimated useful economic life of the assets is as under:

Class of assets	Useful life in years
Commercial Rights	5
Other Intangible assets	Remaining useful life of base asset
Software	3

Derecognition:

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

f) Investment Property

Measurement at Recognition:

Investment properties are properties held to earn rentals or for capital appreciation, or both. Investment properties are measured initially at cost, including transaction costs. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable

Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2023 (Contd.)

cost of bringing the asset to its working condition for the intended use. Subsequent to initial recognition, investment property are stated at cost less accumulated depreciation and accumulated impairment loss, if any. Depreciation on investment property has been provided as per the useful life prescribed in Schedule II to the Companies Act, 2013.

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

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

On transition to Ind AS, the Group has elected to continue with the carrying value for all investment property as recognised in its IGAAP financials as deemed cost at the transition date of April 01, 2017.

Depreciation:

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

Derecognition:

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

g) Impairment of Non-Financial Assets:

Assets that have an indefinite useful life, for example goodwill, are not subject to amortization and are tested for impairment annually and whenever there

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

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

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

h) Assets held for sale:

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

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

Property, Plant and Equipment and Intangible Assets once classified as held for sale are not depreciated or amortised.



Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2023 (Contd.)

i) Financial Instruments:

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

Financial instruments also covers contracts to buy or sell a non-financial item that can be settled net in cash or another financial instrument, or by exchanging financial instruments, as if the contracts were financial instruments, with the exception of contracts that were entered into and continue to be held for the purpose of the receipt or delivery of a non-financial item in accordance with the entity's expected purchase, sale or usage requirements.

Financial assets

Initial recognition and measurement:

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

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

- i) The Group business model for managing the financial asset and
- ii) The contractual cash flow characteristics of the financial asset.

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

- i) Financial assets measured at amortized cost
- ii) Financial assets measured at fair value through other comprehensive income (FVTOCI)
- iii) Financial assets measured at fair value through profit or loss (FVTPL)

i. Financial assets measured at amortized cost:

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

- a) The Group business model objective for managing the financial asset is to hold financial assets in order to collect contractual cash flows, and
- b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

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

An assessment of business models for managing financial assets is fundamental to the classification of a financial asset. The Group determines the business

Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2023 (Contd.)

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

This category generally applies to cash and bank balances, trade receivables, loans and other financial assets of the Group. Such financial assets are subsequently measured at amortized cost using the effective interest method.

Under the effective interest method, the future cash receipts are exactly discounted to the initial recognition value using the effective interest rate. The cumulative amortization using the effective interest method of the difference between the initial recognition amount and the maturity amount is added to the initial recognition value (net of principal repayments, if any) of the financial asset over the relevant period of the financial asset to arrive at the amortized cost at each reporting date. The corresponding effect of the amortization under effective interest method is recognized as interest income over the relevant period of the financial asset.

The amortized cost of a financial asset is also adjusted for loss allowance, if any.

ii. Financial assets measured at FVTOCI:

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

Debt instruments that meet the following criteria are measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in profit or loss for FVTOCI debt instruments. Other changes in fair value of FVTOCI financial assets are recognised in other comprehensive income. When the investment is disposed of, the cumulative gain or loss previously accumulated in reserve is transferred to profit or loss.

iii. Investments in equity instruments at FVTOCI:

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

iv. Financial assets measured at FVTPL:

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

Reclassifications:

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



Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2023 (Contd.)

cash flows are considered under the accounting policy on Modification and derecognition of financial assets described below.

Derecognition:

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

- i. The contractual rights to cash flows from the financial asset expires;
- ii. The Group transfers its contractual rights to receive cash flows of the financial asset and has substantially transferred all the risks and rewards of ownership of the financial asset;
- iii. The Group retains the contractual rights to receive cash flows but assumes a contractual obligation to pay the cash flows without material delay to one or more recipients under a 'pass-through' arrangement (thereby substantially transferring all the risks and rewards of ownership of the financial asset);
- iv. The Group neither transfers nor retains, substantially all risk and rewards of ownership, and does not retain control over the financial asset.

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

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

Impairment of financial assets:

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

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

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

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

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

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

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

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

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

Financial Liabilities and equity:

Initial recognition and measurement:

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

Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2023 (Contd.)

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

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

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

Subsequent measurement:

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

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

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

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

Equity instruments:

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Derecognition:

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the Derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid is recognized in the Statement of Profit and Loss.

j) Fair Value:

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

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

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

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

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



Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2023 (Contd.)

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

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

Level 3 – inputs for assets or liabilities that are not based on observable market data.

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

k) Foreign Currency Translation:

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

i. Functional and presentation currencies:

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

ii. Transactions & Balances:

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

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

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

iii) Group's foreign operations:

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

- assets and liabilities are translated at the closing rate as on that balance sheet date, and
- income and expenses are translated at average exchange rates.

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

l) Income Taxes:

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

Current tax:

- i) The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the group operates and generates taxable income.
- ii) Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities.
- iii) Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).
- iv) where there is uncertainty over income tax treatments, the Group determines the probability of the income tax authorities accepting each such tax treatment or group of tax treatments in computing the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

Deferred tax:

Deferred tax is provided using the balance sheet method on temporary differences between the tax bases of assets & liabilities & their carrying amounts for financials reporting purposes as at the reporting date. Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit in the countries where the group operates and generates taxable income.

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

Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2023 (Contd.)

- (a) When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transition, affects neither the accounting profit or loss;
- (b) In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future."

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

- (a) When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- (b) In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The tax effects of income tax losses, available for carry forward, are recognised as deferred tax asset, when it is probable that future taxable profits will be available against which these losses can be set-off.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the benefits of part or all of such deferred tax assets to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

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

Presentation of current and deferred tax:

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

The Group offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. In case of deferred tax assets and deferred tax liabilities, the same are offset if the Group has a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Group.

m) Provisions and Contingencies:

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

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

The Group in the normal course of its business, comes across client claims/ regulatory penalties/ inquiries, etc. and the same are duly clarified/ addressed from time to time. The penalties/ action if any are being considered for



Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2023 (Contd.)

disclosure as contingent liability only after finality of the representation of appeals before the lower authorities.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote (based on the judgement of the management considering factors including experience with similar matters, past history, precedents, relevant and other evidence and facts specified to the matter), no provision or disclosure is made.

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

n) Statement of Cash Flows :

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method adjusting the net profit for the effects of:

- changes during the period in operating receivables and payables transactions of a non-cash nature;
- non-cash items such as depreciation, provisions, deferred taxes and unrealised foreign currency gains and losses.
- all other items for which the cash effects are investing or financing cash flows.

Cash and cash equivalents (including bank balances) shown in the Statement of Cash Flows exclude items which are not available for general use as on the date of balance sheet.

o) Cash and bank balances :

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value. Cash and bank balances also include fixed deposits, margin money deposits, earmarked balances with banks and other bank balances which

have restrictions on repatriation. Short term and liquid investments being subject to more than insignificant risk of change in value, are not included as part of cash and cash equivalents that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

p) Revenue Recognition

Revenue from contracts with customers

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

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

Step 1: Identify contract(s) with a customers. A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the contract price to the performance obligations in the contract: For contract that has more than one performance obligation, the Group allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Group satisfies a performance obligation.

The group assesses its revenue arrangement against specific criteria to determine if it is acting as principal or agent. The group has generally concluded that it is acting as a principal in all of its revenue arrangements.

Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2023 (Contd.)

The group recognised revenue from various activities as follows:

i. Interest Income

Interest income is recognised using effective interest rate by considering all the contractual term of the financial instruments in estimating the cash flow.

ii. Fees & Commission

Fees and commission income is recognised based on five step model set out in Ind AS 115.

- a. Brokerage income earned on secondary market operations is accounted on trade date basis.
- b. Income related with advisory activities, Investment banking, Financial Product Distribution Income in respect of other heads is accounted on accrual basis.

iii. Rental Income

Lease income is recognised in the statement of profit and loss net of indirect taxes, if any. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease except where-

- (i) Another systematic basis is more representative of the time pattern of the benefit derived from the asset given on lease.; or
- (ii) The payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases

iv. Other operational revenue

Other operational revenue represents income earned from the activities incidental to the business and is recognised when the right to receive the income is established as per the terms of the contract.

Advances received from customers in respect of contracts are treated as liabilities and adjusted against progress billing as per terms of the contract.

Progress payments received are adjusted against amount receivable from customers in respect of the contract work performed. Amounts retained by the customers until the satisfactory completion of the contracts are recognised as receivables."

q) Share-based payment arrangements:

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity."

When the terms of an equity-settled award are modified, the minimum expense recognized is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognized for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through the statement of profit and loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

Securities premium includes:

- A. The difference between the face value of the equity shares and the consideration received in respect of shares issued pursuant to Stock Option Scheme.
- B. The fair value of the stock options which are treated as expense, if any, in respect of shares allotted pursuant to Stock Options Scheme."

r) Employee Benefits

Short Term Employee Benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognized in the period in which the employee renders the related service. If the group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably. The Group recognizes the undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered as a liability (accrued expense) after deducting any amount already paid.



Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2023 (Contd.)

Post-Employment Benefits:

I. Defined contribution plans:

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into state managed retirement benefit schemes and will have no legal or constructive obligation to pay further contributions, if any, if the state managed funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. The Groups contributions to defined contribution plans are recognised in the Statement of Profit and Loss in the financial year to which they relate. The Company and its Indian subsidiaries operate defined contribution plans pertaining to Employee State Insurance Scheme and Government administered Pension Fund Scheme for all applicable employees and the Group operates a Superannuation scheme for eligible employees.

Recognition and measurement of defined contribution plans: The Group recognizes contribution payable to a defined contribution plan as an expense in the Statement of Profit and Loss when the employees render services to the Group during the reporting period. If the contributions payable for services received from employees before the reporting date exceeds the contributions already paid, the deficit payable is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the reporting date, the excess is recognized as an asset to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund.

II. Defined benefit plans:

Gratuity scheme: The Group, operates a gratuity scheme for employees. The contribution is paid to a separate fund, towards meeting the Gratuity obligations.

Recognition and measurement of defined benefit plans:

The cost of providing defined benefits is determined using the Projected Unit Credit method with actuarial valuations being carried out at each reporting date. The defined benefit obligations recognized in the Balance Sheet represent the present value of the defined benefit obligations as reduced by the fair value of plan assets, if applicable. Any defined

benefit asset (negative defined benefit obligations resulting from this calculation) is recognized representing the present value of available refunds and reductions in future contributions to the plan.

All expenses represented by current service cost, past service cost if any and net interest on the defined benefit liability (asset) are recognized in the Statement of Profit and Loss. Re-measurements of the net defined benefit liability (asset) comprising actuarial gains and losses and the return on the plan assets (excluding amounts included in net interest on the net defined benefit liability/asset), are recognized in Other Comprehensive Income. Such re-measurements are not reclassified to the Statement of Profit and Loss in the subsequent periods.

Other Long Term Employee Benefits: Entitlements to annual leave and sick leave are recognized when they accrue to employees. Sick leave can only be availed while annual leave can either be availed or encashed subject to a restriction on the maximum number of accumulation of leave. The Group determines the liability for such accumulated leaves using the Projected Accrued Benefit method with actuarial valuations being carried out at each Balance Sheet date.

s) Lease accounting :

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

As a Lessee

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

Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2023 (Contd.)

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

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

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

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

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

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

Lease liability and the right of use asset have been separately presented in the balance sheet.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short term leases that

have a lease term of less than or equal to 12 months with no purchase option and assets with low value leases. The Group recognises the lease payments associated with these leases as an expense in statement of profit and loss over the lease term. The related cash flows are classified as operating activities.

As a lessor

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

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

t) Goods and Services tax input credit

Goods and Services tax input credit is accounted for in the books in the period in which the supply of goods or service received is accounted and when there is no uncertainty in availing/utilising the credits.

u) Borrowing Cost:

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs, if any, directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized, if any. All other borrowing costs are expensed in the period in which they occur.

v) Segment Reporting :

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM) of the Company. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Group.

Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.



Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2023 (Contd.)

Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors. Revenue, expenses, assets and liabilities which relate to the Group as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets/liabilities".

w) Earnings Per Share:

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

2.2 Key Accounting Estimates and Judgements

The preparation of the Group's financial statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The Group continually evaluates these estimates and assumptions based on the most recently available information. Revisions to accounting estimates are recognised prospectively in the statement of profit and loss in the period in which the estimates are revised and in any future periods affected.

Critical accounting estimates and assumptions

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

a. Income taxes

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

b. Determination of the estimated useful lives of assets (tangible assets, intangible assets and investment property)

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Group's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technical or commercial obsolescence arising from changes or improvements in production or from a change in market demand of the product or service output of the asset.

c. Defined Benefit Obligation

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds corresponding to the probable maturity of the post-employment benefit obligations. Due to complexities involved in the valuation and its long term nature, defined benefit obligation is sensitive to changes in these assumptions. Further details are disclosed in note 32.

d. Fair value measurement of Financial Instruments

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

e. Impairment of financial assets

The provision for expected credit loss involves estimating the probability of default and loss given default based on the Group own experience & forward looking estimation.

f. Provision for litigation

In estimating the final outcome of litigation, the Group applies judgment in considering factors including experience with similar matters, past history, precedents, relevant and other evidence and facts specified to the matter. Application of such judgment determines whether the Group requires an accrual or disclosure in the financial statements.

Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2023 (Contd.)

g. Fair valuation of employee share options

The fair valuation of the employee share options is based on the Black-Scholes model used for valuation of options. Key assumptions made with respect to expected volatility includes share price, expected dividends and discount rate, under this option pricing model. Further details are disclosed in note 41.

h. Determining whether an arrangement containing a lease

In determining whether an arrangement is, or contains a lease is based on the substance of the arrangement

at the inception of the lease. The arrangement is, or contains, a lease date if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset, even if that right is not explicitly specified in the arrangement.

i. Discount rate

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



Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2023 (Contd.)

NOTE 3 : CASH AND CASH EQUIVALENTS

(₹ in Million)

Particulars	As at March 31, 2023	As at March 31, 2022
Cash on hand	0.72	0.30
Cheques in hand	16.77	43.45
Balances with banks :		
- In current accounts	631.59	461.07
- In client accounts	1,045.32	10,416.56
- In deposit account with original maturity less than 3 months	-	26.90
Total	1,694.40	10,948.28

NOTE 4 : BANK BALANCE OTHER THAN ABOVE

(₹ in Million)

Particulars	As at March 31, 2023	As at March 31, 2022
(I) Earmarked Balance with bank - Unclaimed Dividend	2.62	1.70
(II) Fixed Deposit with banks		
- Lien Marked*	26,647.08	26,389.34
- Other deposit	24.30	62.19
Total	26,674.00	26,453.23

* Group has pledged fixed deposits with the banks for bank guarantee/overdraft facilities & with the stock exchange for margin/arbitration purpose.

NOTE 5 : RECEIVABLES

(₹ in Million)

Particulars	As at March 31, 2023	As at March 31, 2022
(I) Trade receivables		
- Receivables considered good - unsecured	187.69	190.68
- Receivables which have significant increase in credit risk	68.94	106.00
- Receivables - credit impaired	118.88	108.23
Total (I) Gross	375.51	404.91
- Less: Allowance for credit loss	(153.62)	(122.50)
Total (I) Net	221.89	282.41
(II) Other receivables		
- Unbilled considered good - unsecured	313.72	177.61
Total (II)- Gross	313.72	177.61
- Less: Allowance for credit loss	-	-
Total (II) Net	313.72	177.61
Total (I+II)	535.61	460.02

(a) No trade or other receivables are due from directors or from other officers of the Company either severally or jointly with any other person nor any trade or other receivables are due from firms or private companies respectively in which any directors is a partner, director or a member as on March 31, 2023 and March 31, 2022.

(b) No trade receivables and other receivables are interest bearing.

Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2023 (Contd.)

(c) Ageing schedule for Trade receivables is as under:

(₹ in Million)

Particulars	As at March 31, 2023						Total
	Unbilled	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	313.72	187.69	-	-	-	-	501.41
(ii) Undisputed Trade Receivables - considered doubtful	-	58.92	10.01	0.01	-	-	68.94
(iii) Undisputed Trade Receivables - Credit Impaired	-	-	2.61	5.69	1.82	108.76	118.88
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - considered doubtful	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	-

(₹ in Million)

Particulars	As at March 31, 2022						Total
	Unbilled	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	177.61	190.68	-	-	-	-	368.29
(ii) Undisputed Trade Receivables - considered doubtful	-	87.07	6.92	-	12.01	-	106.00
(iii) Undisputed Trade Receivables - Credit Impaired	-	-	2.96	1.45	5.80	98.02	108.23
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - considered doubtful	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	-

NOTE 6 : LOANS

(₹ in Million)

Particulars	As at March 31, 2023	As at March 31, 2022
At Amortised cost		
Loans repayable on demand		
- Margin trading facility balances *	4,905.86	4,724.24
Leasing (please refer disclosure below)		
- Asset given under finance lease	-	9.07
Total - Gross	4,905.86	4,733.31
- Less: Impairment loss allowance	-	-
Total - Net	4,905.86	4,733.31

* Loans to customers are secured by pledge of securities & shares.

(l) Disclosure for assets given under finance lease:-

(₹ in Million)

a) Minimum lease payment receivable for asset given on finance lease	As at March 31, 2023	As at March 31, 2022
- Not later than one year	-	7.10
- Later than one year and not later than five years	-	1.97
- Later than five years	-	-
Total	-	9.07
b) Unearned finance income	-	0.10

During the year, financial lease contract was terminated by leasee.



Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2023 (Contd.)

(II) Details of loans that are repayable on demand or without specifying any terms or period of repayment:- (₹ in Million)

Type of borrower	As at March 31, 2023			As at March 31, 2022		
	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans	Amount of loan or advance in the nature of loan outstanding	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans	Amount of loan or advance in the nature of loan outstanding
Promoters	-	-	-	-	-	-
Directors	-	-	-	-	-	-
KMPs	-	-	-	-	-	-
Related Parties	-	-	-	-	-	-

NOTE 7 : INVESTMENTS

(₹ in Million)

Particulars	As at March 31, 2023	As at March 31, 2022
At fair value through profit and loss ((i) + (ii) + (iii) + (iv))	901.71	2,275.48
Mutual Funds (i)	196.20	289.16
- HDFC Liquid Fund - Direct Growth - open ended	101.91	-
- ICICI Prudential Liquid Fund - Direct Plan - Growth	94.29	194.93
- ICICI Prudential Overnight Fund Direct Plan Growth	-	94.23
Alternate Investment Funds (ii)	444.63	362.28
- IIFL Securities Capital Enhancer Fund	7.76	2.03
- IIFL Special Opportunities Fund – Series 4 Category II AIF	6.84	9.26
- India Alternative Private Equity Fund - Category II - AIF	48.11	35.43
- IIFL Securities Capital Enhancer Fund	155.66	95.14
- IIFL Securities Dynamic Fund	56.61	50.48
- IIFL Real Estate Fund (Domestic) – Series 2 Category II- AIF	169.65	169.94
Equity shares (iii)	84.04	184.08
- BSE Limited	84.04	184.08
Debt fund (iv)	176.84	1,439.96
- Market Linked Debentures of IIFL Finance Limited		
- Secured Redeemable Non-Convertible Debentures Market Linked Debenture	-	462.57
- Non-Convertible Debentures		
- IIFL Home Finance Limited 8.20	125.05	124.94
- IIFL FINANCE LIMITED SR I 9.60	-	0.00
- IIFL FINANCE LIMITED SR II CATG II III IV	-	0.00
- IIFL FINANCE LIMITED SR IV 10.20	-	0.00
- Bonds		
- U.P. POWER CORPORATION LIMITED SR I	-	800.41
- Optional Convertible Debenture (475 units @ face value ₹100,000 each)	47.50	47.50
- Piramal - India REIT Fund Scheme V	4.29	4.54
Total - Gross (I) + (II)	901.71	2,275.48
- Less: Impairment loss allowance	-	-
Total - Net	901.71	2,275.48
- Investments outside India	-	-
- Investments in India	901.71	2,275.48
Total - Net	901.71	2,275.48

Amount is less than ₹ 0.01, hence shown ₹ 0.00 million.

Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2023 (Contd.)

NOTE 8 : OTHER FINANCIAL ASSETS

(₹ in Million)

Particulars	As at March 31, 2023	As at March 31, 2022
Clients receivables (net of provisions) #	10,275.57	7,900.44
Exchanges receivables	897.05	1,010.77
Margin with exchange	58.30	28.33
Deposit with exchange	115.75	115.75
Security deposit with landlords and others (net of provisions) *	255.58	186.12
Interest accrued on deposits and investments	284.35	226.86
Receivable from related parties (Refer note 42)	3.16	50.55
Gratuity (Refer note 28)	2.39	7.00
Other financial assets	387.75	371.53
Total	12,279.90	9,897.35

Include receivable from directors & key managerial personnel of ₹ 0.00 (As at March 31, 2022 ₹ 0.02) (Refer note 42)

* Include deposit with directors and its relatives of ₹ 50 million (As at March 31, 2021 ₹ 50.00 million) (Refer note 42)

NOTE 9 : DEFERRED TAX ASSETS (NET) (AS AT March 31, 2023)

(₹ in Million)

Particulars	Opening balance	Recognised in profit or loss	Other Addition/ Deletion	Recognised in/reclassified from OCI	Closing balance
Deferred tax assets:					
Depreciation on property, plant and equipment	14.12	11.40	-	-	25.52
Business loss carry forwards	18.56	19.42	-	-	37.98
Expenses deductible in future years:	-	27.82	4.87	-	32.69
Provisions for doubtful receivables / other financial asset (Including expected credit loss)	156.34	2.07	-	-	158.41
Lease	4.05	(0.01)	-	-	4.04
Compensated absences and retirement benefits	14.36	(2.78)	-	5.84	17.42
Minimum alternate tax carry-forward	9.48	-	-	-	9.48
Unrealised profit on investments	9.54	(2.42)	-	-	7.12
Others	10.04	0.55	-	0.10	10.69
Total deferred tax assets	236.49	56.05	4.87	5.94	303.35
Deferred tax liabilities:					
Total deferred tax liabilities	-	-	-	-	-
Deferred tax assets (Net)	236.49	56.05	4.87	5.94	303.35

NOTE 9 : DEFERRED TAX ASSETS (NET) (AS AT March 31, 2022)

(₹ in Million)

Particulars	Opening balance	Recognised in profit or loss	Other Addition/ Deletion	Recognised in/reclassified from OCI	Closing balance
Deferred tax assets:					
Depreciation on property, plant and equipment	21.40	(7.28)	-	-	14.12
Business loss carry forwards	0.11	18.45	-	-	18.56



Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2023 (Contd.)

Particulars	Opening balance	Recognised in profit or loss	Other Addition/ Deletion	Recognised in/reclassified from OCI	Closing balance
Provisions for doubtful receivables / other financial asset (Including expected credit loss)	150.67	5.67	-	-	156.34
Lease	3.62	0.43	-	-	4.05
Compensated absences and retirement benefits	11.47	2.35	-	0.54	14.36
Minimum alternate tax carry-forward	10.08	-	(0.60)	-	9.48
Unrealised profit on investments	14.69	(5.15)	-	-	9.54
Others	1.57	8.47	-	-	10.04
Total deferred tax assets	213.61	22.94	(0.60)	0.54	236.49
Deferred tax liabilities:					
Total deferred tax liabilities	-	-	-	-	-
Deferred tax assets (Net)	213.61	22.94	(0.60)	0.54	236.49

NOTE 10 : INVESTMENT PROPERTY

(₹ in Million)

Particulars	Land / Building	
	As at March 31, 2023	As at March 31, 2022
As at April 1	799.77	939.17
(Deductions)/Adjustments during the year	-	(139.40)
Cost as at March 31	799.77	799.77
Amortisation		
As at April 1	(33.98)	-
(Deductions)/Adjustments during the year	-	(33.98)
As at March 31	(33.98)	(33.98)
Net Block	765.79	765.79

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

(₹ in Million)

Particulars	As at March 31, 2023	As at 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 from investment properties	-	-

(ii) Fair value

(₹ in Million)

Particulars	As at March 31, 2023	As at March 31, 2022
Investment properties	1,482.62	1,342.55

Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2023 (Contd.)

Estimation of fair value

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

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

NOTE 11 : PROPERTY, PLANT AND EQUIPMENT(AS AT MARCH 2023)

(₹ in Million)

Particulars	Land/ Leasehold Land	Buildings (including land)	Furniture & Fixture	Office Equipment	Electrical Equipment	Air Conditioner	Computers	Vehicles	Total
Cost									
As at April 1, 2022	691.59	2,574.40	372.08	68.33	132.63	31.70	291.95	0.69	4,163.37
Additions	-	3.59	6.49	5.00	5.61	1.14	67.11	-	88.94
Deductions/adjustments	-	(46.48)	(3.68)	(3.00)	(2.79)	(0.47)	(32.50)	-	(88.92)
As at March 31, 2023	691.59	2,531.51	374.89	70.33	135.45	32.37	326.56	0.69	4,163.39
Depreciation									
As at April 1, 2022	3.05	608.15	296.84	55.17	108.01	22.02	216.41	0.63	1,310.28
Depreciation for the year	0.33	151.91	42.40	6.33	14.76	5.76	53.55	-	275.04
Deductions/adjustments	-	(16.84)	(2.95)	(1.53)	(2.46)	(0.47)	(15.48)	-	(39.73)
Upto March 31, 2023	3.38	743.22	336.29	59.97	120.31	27.31	254.48	0.63	1,545.59
WDV as at March 31, 2023	688.21	1,788.29	38.60	10.36	15.14	5.06	72.08	0.06	2,617.80

NOTE 11 : PROPERTY, PLANT AND EQUIPMENT(AS AT MARCH 2022)

(₹ in Million)

Particulars	Land/ Leasehold Land	Buildings (including land)	Furniture & Fixture	Office Equipment	Electrical Equipment	Air Conditioner	Computers	Vehicles	Total
Cost									
As at April 1, 2021	691.59	2,133.91	356.86	64.20	129.90	31.07	232.15	0.69	3,640.37
Additions	-	440.49	25.07	6.13	9.91	1.04	82.56	-	565.20
Deductions/adjustments	-	-	(9.85)	(2.00)	(7.18)	(0.41)	(22.76)	-	(42.20)
As at March 31, 2022	691.59	2,574.40	372.08	68.33	132.63	31.70	291.95	0.69	4,163.37
Depreciation									
As at April 1, 2021	2.71	465.40	255.28	49.81	97.73	16.64	179.43	0.52	1,067.52
Depreciation for the year	0.34	142.75	48.83	6.69	15.82	5.75	51.86	0.11	272.15
Deductions/adjustments	-	-	(7.27)	(1.33)	(5.54)	(0.37)	(14.88)	-	(29.39)
Upto March 31, 2022	3.05	608.15	296.84	55.17	108.01	22.02	216.41	0.63	1,310.28
WDV as at March 31, 2022	688.54	1,966.25	75.24	13.16	24.62	9.68	75.54	0.06	2,853.09



Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2023 (Contd.)

Note :-

- (a) Capital work in progress ₹ 6.55 million (as at March 31, 2022 ₹ 25.49 million) pertains to assets not yet capitalised.
 (b) Refer to note 39 for assets given on pledge.

(c) Ageing Schedule of Capital Work in Progress

(₹ in Million)

Particulars	As at March 31, 2023					As at March 31, 2022				
	Less than 1 year	1 - 2 Years	2 - 3 Years	More than 3 years	Total	Less than 1 year	1 - 2 Years	2 - 3 Years	More than 3 years	Total
Projects in Progress	2.05	4.50	-	-	6.55	21.52	3.97	-	-	25.49
Projects temporarily suspended	-	-	-	-	-	-	-	-	-	-

(d) Ageing of projects whose completion is overdue or has exceeded its cost compared to its original plan

(₹ in Million)

Particulars	As at March 31, 2023					As at March 31, 2022				
	Less than 1 year	1 - 2 Years	2 - 3 Years	More than 3 years	Total	Less than 1 year	1 - 2 Years	2 - 3 Years	More than 3 years	Total
Project in Progress	-	-	-	-	-	-	-	-	-	-
Projects Temporarily Suspended	-	-	-	-	-	-	-	-	-	-

NOTE 12 : OTHER INTANGIBLE ASSETS

(₹ in Million)

Particulars	Commercial Rights		Software		Total	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
As at April 1	1,137.61	1,129.11	167.06	148.07	1,304.67	1,277.18
Other additions	-	8.50	62.39	18.99	62.39	27.49
Cost as at March 31	1,137.61	1,137.61	229.45	167.06	1,367.06	1,304.67
Amortisation						
As at April 1	237.87	8.04	137.97	117.25	375.84	125.29
Amortisation/impairment for the year	228.66	229.83	35.31	20.72	263.97	250.55
As at March 31	466.53	237.87	173.28	137.97	639.81	375.84
Net Block	671.08	899.74	56.17	29.09	727.25	928.83

NOTE 13 : RIGHT OF USE ASSET

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

(₹ in Million)

Particulars	As at March 31, 2023			As at March 31, 2022		
	Premises	Vehicle	Total	Premises	Vehicle	Total
Balance at the beginning of the year	241.71	32.06	273.77	205.39	12.06	217.45
Additions during the year	157.23	43.27	200.50	192.74	31.54	224.28
Deletions during the year	(59.90)	-	(59.90)	(55.39)	(0.71)	(56.10)
Depreciation charged for the year	(114.59)	(14.77)	(129.36)	(101.03)	(10.83)	(111.86)
Balance at the end of the year	224.45	60.56	285.01	241.71	32.06	273.77

Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2023 (Contd.)

B) Maturity analysis of lease liabilities

(₹ in Million)

Particulars	As at March 31, 2023	As at March 31, 2022
Maturity analysis – contractual undiscounted cash flows		
- Less than one year	116.32	84.37
- One to five years	257.22	241.26
- More than five years	35.95	32.22
Total undiscounted lease liabilities at March 31	409.49	357.85
Lease liabilities included in the statement of financial position at March 31	301.62	290.39
Current lease liability	97.31	63.65
Non current lease liability	204.31	226.74

C) Amounts recognised in profit or loss

(₹ in Million)

Particulars	As at March 31, 2023	As at March 31, 2022
Interest on lease liabilities	28.74	24.97
Depreciation charge for the year	129.36	111.86
Expenses relating to short-term leases	4.74	-
Expenses relating to leases of low-value assets, excluding short-term leases of low value assets	3.60	0.61
Total	166.44	137.44

D) Amounts recognised in the statement of cash flows

(₹ in Million)

Particulars	As at March 31, 2023	As at March 31, 2022
Total cash outflow for leases	158.66	129.21

NOTE 14 : OTHER NON-FINANCIAL ASSETS

(₹ in Million)

Particulars	As at March 31, 2023	As at March 31, 2022
Statutory input credit	14.53	8.09
Prepaid expense	97.66	85.26
Capital advance	111.07	2.04
Other advances	125.05	58.97
Other non-financial assets	6.24	24.51
Total	354.55	178.87

NOTE 15 : PAYABLES

(₹ in Million)

Particulars	As at March 31, 2023	As at March 31, 2022
(1) Trade Payable		
- Total outstanding dues of micro enterprises and small enterprises	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	25.22	16.55
Total (1)	25.22	16.55



Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2023 (Contd.)

Particulars	As at March 31, 2023	As at March 31, 2022
(2) Other Payable		
- Total outstanding dues of micro enterprises and small enterprises		
- Total outstanding dues of creditors other than micro enterprises and small enterprises		
(a) Unbilled - Provision for expenses	853.48	893.85
(b) Accrued salaries & benefits	1.89	25.17
(c) Others	8.01	9.06
Total (2)	863.38	928.08
Total (1+2)	888.60	944.63

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, 2006 (MSMED) on the basis of confirmations sought from suppliers on registration with the specified authority under MSMED:

(₹ in Million)

Particulars	As at March 31, 2023	As at 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	-	-

Ageing schedule for Trade payables is as under:

(₹ in Million)

Particulars	As at March 31, 2023					Total
	Provision	Less than 1 year	1 - 2 Years	2 - 3 Years	More than 3 years	
MSME	-	-	-	-	-	-
OTHERS	863.38	21.46	0.43	3.23	0.10	888.60
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-

(₹ in Million)

Particulars	As at March 31, 2022					Total
	Provision	Less than 1 year	1 - 2 Years	2 - 3 Years	More than 3 years	
MSME	-	-	-	-	-	-
OTHERS	928.08	11.82	4.02	0.06	0.65	944.63
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-

Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2023 (Contd.)

NOTE 16 : BORROWINGS (OTHER THAN DEBT SECURITIES)

(₹ in Million)

Particulars	As at March 31, 2023	As at March 31, 2022
At amortised cost		
(a) Loans repayable on demand		
- Bank overdraft	970.46	1,362.89
- Working capital demand loan	2,109.13	2,000.00
- Unsecured Loan	-	800.08
(b) Term Loan		
- Loan from Bank	1,778.84	1,907.44
Total	4,858.43	6,070.41
Borrowings in India	4,858.43	6,070.41
Borrowings outside India	-	-
Total	4,858.43	6,070.41

(a) Security :

- Working capital demand loan (WCDL) and bank overdraft are secured by way of first pari-passu charge on receivable & Fixed deposit pledged with bank. Refer note 39 for details of asset pledged.
- The term loan from bank is secured by hypothecation of immovable properties owned by IIFL Facilities Services Limited (a wholly owned subsidiary).

(b) Tenor of repayment :

- WCDL varies from 7 days to 365 days and bank overdraft upto validity of facility.
- The term loan from bank is repayable in 115 monthly installment.

(c) Interest Rate :

Interest rate is ranging from 5.45% to 10.45%.

NOTE 17 : OTHER FINANCIAL LIABILITIES

(₹ in Million)

Particulars	As at March 31, 2023	As at March 31, 2022
Clients payables *	16,801.91	28,266.57
Exchanges payables	14,584.85	11,561.17
Deposits received from franchisee, tenant and others#	480.97	572.14
Book overdraft	10.16	16.16
Provision for gratuity (funded) (Refer note 28)	11.79	-
Payable to related parties (Refer note 42)	46.14	5.46
Lease obligation	301.62	290.39
Other payable	177.75	252.56
Total	32,415.19	40,964.45

* Includes payable to director and key managerial personnel and their relatives ₹ 6.31 millions (March 31, 2022 ₹ 0.00 millions) (Refer note 42)

Includes deposit from related party of ₹ 25.79 millions (March 31, 2022 ₹ 20.06 millions) (Refer note 42)

NOTE 18 : PROVISIONS

(₹ in Million)

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for leave encashment	66.11	63.70
Total	66.11	63.70



Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2023 (Contd.)

NOTE 19 : OTHER NON-FINANCIAL LIABILITIES

(₹ in Million)

Particulars	As at March 31, 2023	As at March 31, 2022
Income received in advance	11.98	7.71
Statutory dues	364.69	320.53
Advances received from customers	200.32	80.65
Total	576.99	408.89

NOTE 20 : EQUITY SHARE CAPITAL

a. The Authorised, Issued, Subscribed and Paid up Share Capital:

(₹ in Million)

Particulars	As at March 31, 2023	As at March 31, 2022
Authorised Share Capital		
At the beginning of the year	1,000.00	1,000.00
Add: Increase in authorised share capital	-	-
Closing at the end of year	1,000.00	1,000.00
Issued, Subscribed and Paid-up Share Capital		
305,528,966 Equity Shares of ₹ 2 each fully paid up (303,936,230 Equity Shares of ₹ 2 each fully paid up)	611.06	607.87

b. Reconciliation of the shares outstanding at the beginning and at the end of the year:

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	(₹ in Million)	No. of Shares	(₹ in Million)
Equity Shares				
At the beginning of the year	303,936,230	607.87	302,935,330	605.87
Add: Shares issued during the year under ESOP	1,592,736	3.19	1,000,900	2.00
Closing at the end of year	305,528,966	611.06	303,936,230	607.87

c. Terms/Rights attached to Equity Shares

The Company has only one class of shares referred to as equity shares having a par value of ₹ 2/- each. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees.

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

d. Details of shareholders holding more than 5% shares in the Company:

The list of shareholders to whom the shares to be issued under the Composite Scheme of Arrangement having more than 5% shareholdings are as under:

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	% of holding in the class	No. of Shares	% of holding in the class
Equity share of ₹ 2 each fully paid up				
FIH Mauritius Investments Ltd.	84,641,445	27.70%	84,641,445	27.85%
Mr. Nirmal Bhanwarlal Jain	46,964,282	15.38%	46,964,282	15.45%
HWIC Asia Fund Class A shares	28,362,530	9.28%	28,362,530	9.33%
Total	159,968,257	52.36%	159,968,257	52.63%

Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2023 (Contd.)

e. Other details of equity shares for a period of five years immediately preceding March 31, 2023

- (i) In FY 2019-20, fresh 319,234,462 equity shares of ₹ 2/- each allotted through composite Scheme of Arrangement as approved by NCLT, Mumbai, and
- (ii) In FY 2020-21, 17,000,394 equity shares bought back for an aggregate amount of ₹ 866.82 million. Consequently the paid-up equity share capital had reduced by ₹ 34.00 million.

f. Shares reserved for issue under options and contracts/commitments for sale of shares/disinvestments, including the terms and amount, refer note 41 for details of shares reserved for issue under Employee Stock Option Plan of the Company.

g. Details of Shareholding of Promoters of the Company:

Particulars	As at March 31, 2023			As at March 31, 2022		
	No. of Shares	% of Total Shares	% Change during the year	No. of Shares	% of Total Shares	% Change during the year
Nirmal Bhanwarlal Jain	46,964,282	15.37%	(0.52%)	46,964,282	15.45%	(0.33%)
Madhu N Jain	12,075,000	3.95%	(0.52%)	12,075,000	3.97%	(0.33%)
Venkataraman Rajamani	11,184,432	3.66%	(0.52%)	11,184,432	3.68%	(0.33%)
Mansukhlal Jain & Harshita Jain (in their capacity as Trustee of Nirmal Madhu Family Private Trust)	10,000,000	3.27%	(0.52%)	10,000,000	3.29%	(0.33%)
Aditi Avinash Athavankar (in the capacity as Trustee of Kalki Family Private Trust)	9,000,000	2.95%	(0.52%)	9,000,000	2.96%	(0.33%)
Aditi Athavankar	200,000	0.07%	(0.52%)	200,000	0.07%	(0.33%)
Orpheus Trading Pvt Ltd	3,019,500	0.99%	(0.52%)	3,019,500	0.99%	(0.33%)
Ardent Impex Pvt Ltd	2,700,000	0.88%	(0.52%)	2,700,000	0.89%	(0.33%)
Total	95,143,214	31.14%		95,143,214	31.30%	

NOTE 21 : OTHER EQUITY

(₹ in Million)

Particulars	General reserve	Capital redemption reserve	Capital reserve	Securities premium	Retained earnings	Share option outstanding account	Other comprehensive income	Exchange differences on translating the financial statements of a foreign operation	Total
Balance as at April 01, 2022	464.82	34.00	660.72	1,150.19	8,816.45	81.33	(12.75)	17.13	11,211.89
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period	-	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	2,501.57	-	(17.65)	-	2,483.92
Appropriation towards dividend paid	-	-	-	-	(914.56)	-	-	-	(914.56)
Transfer to/from reserves	14.52	-	-	23.62	-	(38.14)	-	-	-
Other additions	-	-	-	53.75	-	50.07	-	6.66	110.48
Balance as at March 31, 2023	479.34	34.00	660.72	1,227.56	10,403.46	93.26	(30.40)	23.79	12,891.73



Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2023 (Contd.)

(₹ in Million)

Particulars	General reserve	Capital redemption reserve	Capital reserve	Securities premium	Retained earnings	Share option outstanding account	Other comprehensive income	Exchange differences on translating the financial statements of a foreign operation	Total
Balance as at April 01, 2021	461.48	34.00	660.72	1,199.17	6,667.30	46.52	(11.15)	13.47	9,071.51
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period	-	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	3,060.57	-	(1.60)	-	3,058.97
Appropriation towards dividend paid	-	-	-	-	(911.58)	-	-	-	(911.58)
Transfer to/from reserves	3.34	-	-	-	-	(3.34)	-	-	-
Share issue expenses	-	-	-	(83.30)	-	-	-	-	(83.30)
Other additions	-	-	-	34.32	0.16	38.15	-	3.66	76.29
Balance as at March 31, 2022	464.82	34.00	660.72	1,150.19	8,816.45	81.33	(12.75)	17.13	11,211.89

Footnotes : Nature and purpose of reserves

- i) **Capital reserves** : Capital reserve is created due to Composite Scheme of Arrangement
- ii) **Securities premium** : Securities premium represents the surplus of proceeds received over the face value of shares, at the time of issue of shares. The issue expenses of securities which qualify as equity instruments are written off against securities premium account.
- iii) **General reserve** : General reserve is used from time to time to transfer profits from retained earnings for appropriation purpose. As the General reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to statement of profit and loss.
- iv) **Retained earnings** : The balance in retained earnings primarily represents the surplus after payment of dividend(including tax on dividend) and transfer to reserves.
- v) **Share options outstanding account** : The share options outstanding account is used to record the fair value of equity-settled share based payment transactions with employees. The amounts recorded in share options outstanding account are transferred to securities premium upon exercise of stock options and transferred to general reserve on account of stock options not exercised by employees.
- vi) **Exchange difference on translation of foreign operations through other comprehensive income** : For the purpose of consolidation of subsidiaries with the financial statement of the holding company, income and expense are translated at average rates and assets and liabilities are stated at closing rate. Use of such different rates for translation give rise to exchange differences which is accumulated in foreign currency translation reserve. The movement in this reserve is due to fluctuation in exchange rates of currencies during the financial year ended March 31, 2023 and March 31, 2022.
- vii) **Capital Redemption Reserve**: Nominal value of the shares cancelled through buyback is transferred to Capital Redemption Reserve.

NOTE 22 : NON CONTROLLING INTEREST

(₹ in Million)

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the Beginning of the year	(1.84)	(1.63)
Profit / (loss) during the year	(3.47)	(2.26)
Non-controlling interest arising on the acquisition	-	2.05
Total	(5.31)	(1.84)

Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2023 (Contd.)

NOTE 23 : INTEREST INCOME

(₹ in Million)

Particulars	FY 2022-23	FY 2021-22
Interest on margin funding facility and loans	867.78	1,077.54
Interest on deposits with banks	1,157.11	716.59
Total	2,024.89	1,794.13

NOTE 24 : FEES AND COMMISSION INCOME

(₹ in Million)

Particulars	FY 2022-23	FY 2021-22
Brokerage & related income	7,599.99	6,746.61
Investment banking income	1,286.79	1,503.82
Financial Products Distribution Income	2,436.01	2,118.86
Total	11,322.79	10,369.29

In the following table, Income from contracts with customers in the scope of Ind AS 115 is disaggregated by major type of services. The table also includes a reconciliation of the disaggregated income with the group reportable segments.

(₹ in Million)

FY 2022-23	Capital Market Activity	Insurance Broking & Ancillary	Facilities & Ancillary	Total
Brokerage and related income	7,738.56	-	-	7,738.56
Investment banking income	1,286.79	-	-	1,286.79
Commission & other advisory fees	1,298.38	956.13	182.90	2,437.41
Less : - Inter segment	-	-	-	(139.97)
Total fee and commission income (a)	10,323.73	956.13	182.90	11,322.79
Rental Income	-	-	400.03	400.03
Less : - Inter segment	-	-	-	(226.90)
Total rental income (b)	-	-	400.03	173.13
Contractual revenue from operations (a + b)	10,323.73	956.13	582.93	11,495.92

(₹ in Million)

FY 2021-22	Capital Market Activity	Insurance Broking & Ancillary	Facilities & Ancillary	Total
Brokerage and related income	6,858.22	-	4.88	6,863.10
Investment banking income	1,503.82	-	-	1,503.82
Commission & other advisory fees	1,375.37	537.87	217.62	2,130.86
Less : - Inter segment	-	-	-	(128.49)
Total fee and commission income (a)	9,737.41	537.87	222.50	10,369.29
Rental Income	-	-	397.08	397.08
Less : - Inter segment	-	-	-	(237.23)
Total rental income (b)	-	-	397.08	159.85
Contractual revenue from operations (a + b)	9,737.41	537.87	619.58	10,529.14



Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2023 (Contd.)

NOTE 25 : OTHER INCOME

(₹ in Million)

Particulars	FY 2022-23	FY 2021-22
Gain/(loss) on financial assets measured at fair value through Profit & Loss account		
- Realised	137.79	299.53
- Unrealised	(87.05)	133.68
Interest income on		
- Investment	17.55	48.36
- Inter corporate deposit/ Lease	0.10	90.99
- Fixed deposits	8.48	23.24
- Income tax refund	6.63	9.46
Gain on derecognition of property, plant and equipment	29.28	110.65
Infrastructure support income	50.69	63.76
Dividend income	2.99	16.75
Income from sale of inventories	-	19.47
Other income	16.58	24.95
Total	183.04	840.84

NOTE 26 : FINANCE COST MEASURED AT AMORTISED COST

(₹ in Million)

Particulars	FY 2022-23	FY 2021-22
Interest on borrowings	444.18	774.48
Interest on debt securities	9.96	-
Interest on lease	28.74	24.97
Other finance expense	272.67	215.88
Total	755.55	1,015.33

NOTE 27 : FEES AND COMMISSION EXPENSE

(₹ in Million)

Particulars	FY 2022-23	FY 2021-22
Sub brokerage expense and referral fees	2,514.20	2,004.07
Others	224.53	99.50
Total	2,738.73	2,103.57

NOTE 28 : EMPLOYEE BENEFITS EXPENSES

(₹ in Million)

Particulars	FY 2022-23	FY 2021-22
Salaries and wages	3,375.95	3,071.11
Contribution to provident and other funds	80.27	68.08
Share based payments (Refer note 41)	50.36	38.40
Staff welfare expenses	44.95	21.77
Gratuity	15.86	14.38
Leave encashment	13.88	26.82
Total	3,581.27	3,240.56

Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2023 (Contd.)

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

A Defined Benefit Plans:

(i) Reconciliation of opening and closing balances of Defined Benefit Obligation (₹ in Million)

Particulars	FY 2022-23	FY 2021-22
Defined benefit obligation at beginning of the year	177.67	166.46
Interest cost	12.16	10.92
Current service cost	16.33	14.53
Liability transferred In/ acquisitions	4.32	4.42
(Liability transferred out/ divestments)	(4.06)	(5.02)
(Benefit Paid directly by the employer)	(0.31)	(0.01)
(Benefit paid from the fund)	(20.61)	(15.23)
Actuarial (gains)/losses on obligations - due to change in demographic assumptions	-	(0.15)
Actuarial (gains)/losses on obligations - due to change in financial assumptions	(8.89)	(4.27)
Actuarial (gains)/losses on obligations - due to experience	25.79	6.02
Defined benefit obligation at period end	202.40	177.67

(ii) Reconciliation of opening and closing balances of fair value of plan assets (₹ in Million)

Particulars	FY 2022-23	FY 2021-22
Change in the fair value of plan assets		
Fair value of plan assets at beginning of the year	184.67	168.88
Interest income	12.63	11.08
Contributions by the employer	23.00	20.49
Expected return on plan assets (excluding interest)	(6.69)	(0.55)
(Benefit paid from the fund)	(20.61)	(15.23)
Fair value of plan assets at the end of the period	193.00	184.67

(iii) Amount Recognized in the balance sheet (₹ in Million)

Particulars	FY 2022-23	FY 2021-22
(Present value of benefit obligation at the end of the period)	(202.40)	(177.67)
Fair value of Plan Assets at the end of the year/period	193.00	184.67
Net (liability)/asset recognized in the balance sheet (surplus/ (deficit))	(9.40)	7.00

(iv) Expenses recognised during the period (₹ in Million)

Particulars	FY 2022-23	FY 2021-22
In income statement		
Current service cost	16.33	14.53
Net interest Cost	(0.47)	(0.15)
Expense recognised in the Statement of Profit and Loss under "Employee benefits expenses"	15.86	14.38
In other comprehensive income		
Actuarial (gains)/losses on obligation for the period	16.90	1.59
Return on plan assets, excluding interest income	6.69	0.55
Net (income)/expense for the period recognized in OCI	23.59	2.14



Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2023 (Contd.)

(v) Balance sheet reconciliation

(₹ in Million)

Particulars	FY 2022-23	FY 2021-22
Opening net liability	(7.00)	(2.42)
Expenses recognized in statement of profit or loss	15.86	14.38
Expenses recognized in OCI	23.59	2.14
Net liability/(asset) Transfer In	4.32	4.42
Net (liability)/asset Transfer Out	(4.06)	(5.02)
(Benefit paid directly by the employer)	(0.31)	(0.01)
(Employer's contribution)	(23.00)	(20.49)
Net liability/(asset) recognized in the balance sheet	9.40	(7.00)

(vi) Investment Details:

(₹ in Million)

Particulars	FY 2022-23	FY 2021-22
Category of assets		
Insurance fund	193.00	184.67
Total	193.00	184.67

(vii) Actuarial assumptions

Particulars	FY 2022-23	FY 2021-22
Mortality Table (IALM)		
Expected return on plan assets	6.90% - 7.52%	6.49% - 7.25%
Rate of discounting	6.90% - 7.52%	6.49% - 7.25%
Rate of salary increase	5% - 9%	5% - 9%
Rate of employee turnover	For service 4 years and below 31% - 49% p.a. & thereafter 1% - 6% p.a.	For service 4 years and below 31% - 49% p.a. & thereafter 1% - 6% p.a.
Mortality rate during employment	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2006-08) & (2012-14) urban

(a) The estimate of future salary increase, considered in the actuarial valuation, takes into account inflation, seniority, promotion, increments and other relevant factors.

(b) The expected rate of return on plan assets is determined considering several applicable factors, mainly the composition of plan assets held, assessed risks, historical results of return on plan assets and the group policy for plan assets management.

(viii) Sensitivity analysis

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

(₹ in Million)

Particulars	FY 2022-23	FY 2021-22
Projected benefit obligation on current assumptions	(202.40)	(177.67)
Delta effect of +1% change in rate of discounting	(17.88)	(13.82)
Delta effect of -1% change in rate of discounting	17.59	15.95
Delta effect of +1% change in rate of salary increase	16.51	12.27
Delta effect of -1% change in rate of salary increase	(14.89)	(11.19)
Delta effect of +1% change in rate of employee turnover	2.98	3.08
Delta effect of -1% change in rate of employee turnover	(3.32)	3.26
Weighted average duration of the projected benefit obligation	15	12

Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2023 (Contd.)

These plans typically expose the group to actuarial risks such as: investment risk, interest risk, longevity risk and salary risk.

Investment risk :- The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

Interest risk :- A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan debt investments.

Longevity risk :- The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk :- The present value of the defined plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

(ix) Maturity analysis of the benefit payments: from the fund

(₹ in Million)

Particulars	FY 2022-23	FY 2021-22
1st following year	25.30	13.50
2nd following year	14.63	13.02
3rd following year	14.74	12.85
4th following year	16.32	13.00
5th following year	16.36	14.07
6 to 10 years	86.36	75.97
Year 11 and above	233.83	216.13

B. Defined Contribution Plans:

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

(₹ in Million)

Particulars	FY 2022-23	FY 2021-22
Contribution to Provident Fund	49.20	40.32
Contribution to ESIC	1.36	2.04
Contribution to Labour Welfare Fund	0.13	0.09
Contribution to EPS	23.89	22.69
Contribution to NPS	5.69	2.94
Total	80.27	68.08

NOTE 29: DEPRECIATION, AMORTIZATION AND IMPAIRMENT

(₹ in Million)

Particulars	FY 2022-23	FY 2021-22
Depreciation on property, plant and equipment	275.04	272.15
Depreciation on right of use asset	129.36	111.86
Amortization of intangible asset	263.96	250.55
Total	668.36	634.56



Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2023 (Contd.)

NOTE 30 : OTHER EXPENSES

(₹ in Million)

Particulars	FY 2022-23	FY 2021-22
Brokerage and related expenses	2.36	15.84
Communication expense	47.57	70.53
Corporate social responsibility expenses (Refer note 37)	59.78	34.03
Directors commission & sitting fees	6.16	5.90
Exchange, Custodian and statutory charges	249.25	139.82
Expected credit loss	87.35	59.66
Expense on account of sale of inventories	-	25.25
Franking charges and Bank Charges	11.72	8.17
Infrastructure support charges	10.49	12.60
Legal and professional charges	478.02	354.43
Marketing, advertisement and commission expenses	627.74	618.33
Office expenses	117.28	121.32
Printing and stationery and Postage and courier	21.63	19.65
Rent, electricity, rates & taxes, insurance	87.16	88.33
Repairs & maintenance	14.56	14.45
Remuneration to auditors		
- As auditors - Statutory Audits	9.14	9.01
- Certification work and other matters	0.06	0.14
- Out of pocket expenses	0.01	0.42
Technology cost	576.33	481.91
Travelling and conveyance and Meeting seminar & subscription	129.70	53.25
Miscellaneous expenses	14.90	17.47
Total	2,551.21	2,150.51

NOTE 31 : INCOME TAX

Amount recognised in profit or loss

(₹ in Million)

Particulars	FY 2022-23	FY 2021-22
Current tax expenses		
Current year	969.33	998.28
Changes in estimates related to prior years	(2.65)	(12.62)
Deferred tax expenses		
Origination and reversal of temporary differences	(56.05)	(22.94)
Total	910.63	962.72

Reconciliation of effective tax rates:

(₹ in Million)

Particulars	FY 2022-23	FY 2021-22
Profit before tax (including exceptional item)	3,408.73	4,021.03
Tax using domestic tax rates	25.168%	25.168%
Tax amount	857.91	1,012.01
Tax effect of :		
Non-deductible expenses	48.43	22.04
Differential Tax Treatment	(8.05)	-
Income taxable at different rate	20.69	(70.63)
Adjustment in respect of current income tax of prior years	(2.65)	(12.62)
Differential rate in subsidiaries and associates	(0.97)	(0.34)
Loss on which DTA is not created	3.08	19.45

Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2023 (Contd.)

Particulars	FY 2022-23	FY 2021-22
Tax-exempt income		
- Dividend	(0.74)	(4.18)
- Others	(2.14)	(1.35)
Recognition of previously unrecognised deductible temporary differences	(4.93)	(1.66)
Total income tax expense	910.63	962.72

NOTE 32 : EARNINGS PER EQUITY SHARE

Particulars		FY 2022-23	FY 2021-22
Face value of equity shares in ₹ fully paid up		2.00	2.00
BASIC			
Profit after tax as per statement of profit and loss (₹ in Millions)	A	2,501.57	3,060.57
Weighted average number of equity shares outstanding	B	304,371,508	303,285,115
Basic EPS In ₹	A/B	8.22	10.09
DILUTED			
Weighted average number of equity shares for computation of basic EPS		304,371,508	303,285,115
Add: Potential equity shares on conversion of Employees Stock Options		2,348,746	4,576,760
Weighted average number of equity shares for computation of diluted EPS	C	306,720,254	307,861,875
Diluted EPS In ₹	A/C	8.16	9.94

NOTE 33: MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

(₹ in Million)

Particulars	As at March 31, 2023			As at March 31, 2022		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS						
1. Financial Assets						
(a) Cash and cash equivalents	1,694.40	-	1,694.40	10,948.28	-	10,948.28
(b) Bank balance other than (a) above	24,248.05	2,425.95	26,674.00	25,212.64	1,240.59	26,453.23
(c) Receivables						
(I) Trade receivables	221.89	-	221.89	282.41	-	282.41
(II) Other receivables	313.72	-	313.72	177.61	-	177.61
(d) Loans	4,905.86	-	4,905.86	4,731.34	1.97	4,733.31
(e) Investments	605.40	296.31	901.71	1,910.35	365.13	2,275.48
(f) Other financial assets	12,091.08	188.82	12,279.90	9,802.84	94.51	9,897.35
Sub-total	44,080.40	2,911.08	46,991.48	53,065.47	1,702.20	54,767.67
2. Non-Financial Assets						
(a) Current tax assets	-	322.22	322.22	-	380.49	380.49
(b) Deferred tax assets (net)	-	303.35	303.35	-	236.49	236.49
(c) Investment property	-	765.79	765.79	-	765.79	765.79
(d) Property, Plant and Equipment	-	2,617.80	2,617.80	-	2,853.09	2,853.09
(e) Capital work-in-progress	2.05	4.50	6.55	-	25.49	25.49
(f) Other intangible assets	-	727.25	727.25	-	928.83	928.83
(g) Right of use asset	-	285.01	285.01	-	273.77	273.77
(h) Other non-financial assets	342.21	12.34	354.55	161.88	16.99	178.87
Sub-total	344.26	5,038.26	5,382.52	161.88	5,480.94	5,642.82
Total Assets	44,424.66	7,949.34	52,374.00	53,227.35	7,183.14	60,410.49



Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2023 (Contd.)

(₹ in Million)

Particulars	As at March 31, 2023			As at March 31, 2022		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
LIABILITIES AND EQUITY						
LIABILITIES						
1. Financial Liabilities						
(a) Payables						
(I) Trade payables						
(i) Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	25.22	-	25.22	16.55	-	16.55
(II) Other payables						
(i) Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	863.38	-	863.38	928.08	-	928.08
(b) Borrowings (other than debt securities)	3,285.80	1,572.63	4,858.43	4,320.20	1,750.21	6,070.41
(c) Other financial liabilities	32,131.13	284.06	32,415.19	40,305.78	658.67	40,964.45
Sub-total	36,305.53	1,856.69	38,162.22	45,570.61	2,408.88	47,979.49
2. Non-Financial Liabilities						
(a) Current tax liabilities	71.20	-	71.20	140.49	-	140.49
(b) Provisions	9.17	56.94	66.11	13.87	49.83	63.70
(c) Other non-financial liabilities	576.99	-	576.99	408.89	-	408.89
Sub-total	657.36	56.94	714.30	563.25	49.83	613.08
3. Equity						
(a) Equity share capital	-	611.06	611.06	-	607.87	607.87
(b) Other equity	-	12,891.73	12,891.73	-	11,211.89	11,211.89
(c) Non controlling interest	-	(5.31)	(5.31)	-	(1.84)	(1.84)
Sub-total	-	13,497.48	13,497.48	-	11,817.92	11,817.92
Total Liabilities and Equity	36,962.89	15,411.11	52,374.00	46,133.86	14,276.63	60,410.49

NOTE 34: FINANCIAL RISK MANAGEMENT

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

The Group adopts the 'three lines-of-defence' (3 LOD) model wherein management control at the business entity level is the first line of defence in risk management. Various risk control and compliance oversight functions, established by the management are the second line of defence. Finally, the third line comprises the internal audit/ assurance function. All three lines play a distinct role within Group wider governance framework.

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

Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2023 (Contd.)

34 A.1. CREDIT RISK

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

Credit quality analysis

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

(₹ in Million)

Particulars	As at March 31, 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	187.69	68.94	118.88	375.51
Less : Impairment loss allowance	-	(34.74)	(118.88)	(153.62)
Carrying amount	187.69	34.20	-	221.89
Other financial assets	12,202.65	97.50	529.85	12,830.00
Less : Impairment loss allowance	-	(20.25)	(529.85)	(550.10)
Carrying amount	12,202.65	77.25	-	12,279.90

(₹ in Million)

Particulars	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	190.68	106.00	108.23	404.91
Less : Impairment loss allowance	-	(14.27)	(108.23)	(122.50)
Carrying amount	190.68	91.73	-	282.41
Other financial assets	9,879.19	26.79	488.51	10,394.49
Less : Impairment loss allowance	-	(8.63)	(488.51)	(497.14)
Carrying amount	9,879.19	18.16	-	9,897.35

Movement of ECL (Trade receivable and other financial assets)

(₹ in Million)

Particulars	Financial assets for which credit risk has increased significantly and credit not impaired	Financial assets for which credit risk has increased significantly and credit impaired	Total
April 01, 2021	18.72	577.58	596.30
Increase/(decrease) net	4.19	19.16	23.35
March 31, 2022	22.91	596.74	619.65
Increase/(decrease) net	32.08	51.99	84.07
March 31, 2023	54.99	648.73	703.72



Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2023 (Contd.)

34 A.2. COLLATERAL HELD

The group holds collateral of securities and other credit enhancements against its credit exposures.

34 A.3. MEASUREMENT OF EXPECTED CREDIT LOSS

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

34 B. LIQUIDITY RISK

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

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

(₹ in Million)

Particulars	As at March 31, 2023				
	Total	Up to 1 year	1-5 years	5-10 years	More than 10 years
Trade & other payable	888.60	831.13	57.47	-	-
Loan from Bank	1,778.84	125.21	792.67	860.96	-
Bank overdraft	970.46	970.46	-	-	-
Working capital demand loan	2,109.13	2,109.13	-	-	-
Other financial liabilities	32,523.06	31,686.10	799.99	36.97	-
Total liabilities	38,270.09	35,722.03	1,650.13	897.93	-

(₹ in Million)

Particulars	As at March 31, 2022				
	Total	Up to 1 year	1-5 years	5-10 years	More than 10 years
Trade & other payable	944.63	944.63	-	-	-
Loan from Bank	1,907.44	157.23	948.10	802.11	-
Bank overdraft	1,362.89	1,362.89	-	-	-
Working capital demand loan	2,000.00	2,000.00	-	-	-
Other Borrowings	800.08	800.08	-	-	-
Other financial liabilities	41,031.91	40,168.83	834.94	28.14	-
Total liabilities	48,046.95	45,433.66	1,783.04	830.25	-

34 C. MARKET RISK

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

Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2023 (Contd.)

34 C.1 INTEREST RATE RISK

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest rate change does not affect significantly short term borrowing and current investment therefore the group exposure to the risk of changes in market interest rates relates primarily to the group long-term debt and non current investment.

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

(₹ in Million)

Particulars	As at March 31, 2023	As at March 31, 2022
Bank overdraft	970.46	1,362.89
Unsecured Loan	-	800.08
Term Loan from Bank	1,778.84	1,907.44
Working capital demand loan	2,109.13	2,000.00
Total	4,858.43	6,070.41
Weighted average interest rate	8.97%	5.90%
Annualised interest cost	435.86	358.20

Sensitivity analysis for impact on interest cost

(₹ in Million)

Particulars	As at March 31, 2023	As at March 31, 2022
Increase in 1% change in ROI	48.58	60.70
Decrease in 1% change in ROI	(48.58)	(60.70)

34 C.2. FAIR VALUE SENSITIVITY ANALYSIS FOR FIXED-RATE INSTRUMENTS

The groups fixed-rate financial liabilities (non convertible debentures) are carried at amortised cost. Therefore no rise of change in interest rates at the reporting date, since neither the carrying amount nor the future cash flows will fluctuate. There is no fixed-rate financial liabilities outstanding as at the reporting date.

34 C.3. EXPOSURE TO CURRENCY RISKS

The group is operating internationally and is exposed to foreign exchange risk arising from foreign currency transaction. Below is table showing net gap between foreign asset and liability.

Particulars	As at March 31, 2023		As at March 31, 2022	
	Foreign currency in million	₹ in million	Foreign currency in million	₹ in million
Foreign currency assets				
USD	1.62	133.14	2.00	151.71
GPB	0.22	21.84	0.22	21.74
EURO	-	-	0.01	0.59
Foreign currency liabilities				
USD	0.43	35.10	0.36	27.36
GPB	0.04	4.21	0.03	2.94
EURO	-	-	-	-
Net gap				
USD	1.19	98.04	1.64	124.35
GPB	0.17	17.63	0.19	18.80
EURO	-	-	0.01	0.59

The effect of upward movement of 5% in the exchange rate increase the profit/reserve by ₹ 5.78 million (previous year ₹ 7.19 million) and downward movement of 5% will reduce profit/reserve by ₹ 5.78 million (previous year ₹ 7.19 million) for FY 2022-23..



Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2023 (Contd.)

34 C.4 EXPOSURE TO PRICE RISK

The group exposure to price risk arising from investment held by the group and is classified in the balance sheet through fair value through profit & loss account. Group has majorly invested in Alternate Investment Funds and Debt Funds under various scheme and its exposure.

(₹ in Million)

Particulars	Equity Shares	Mutual Funds	Alternate Investment Funds	Debt Fund	Total
Market value as on March 31, 2023	84.04	196.20	444.63	176.84	901.71
Market value as on March 31, 2022	184.08	289.16	362.28	1,439.96	2,275.48

The effect of upward movement of 5% in the price affects the projected net income by ₹ 45.09 million (Previous Year ₹ 113.77 million) and for forward downward movement of 5% the projected net loss will be ₹ 45.09 million (Previous Year ₹ 113.77 million) for FY 2022-23.

34 D. CAPITAL MANAGEMENT

The group's objective when managing capital are to

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

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

The group strategy is to maintain gearing ratio as per industry norms. The gearing ratio is as follows

(₹ in Million)

Particulars	As at March 31, 2023	As at March 31, 2022
Total debt	4,858.43	6,070.41
Cash & cash equivalent (excluding client bank balance)	(632.31)	(488.27)
Net debt	4,226.12	5,582.14
Total equity	13,497.48	11,817.92
Debt to Equity	0.31	0.47

34 E. FAIR VALUES OF FINANCIAL INSTRUMENTS

The Group measures fair values using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements.

- Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.
- Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs that are not observable and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2023 (Contd.)

Subjective estimate - The valuation of level 3 financial instruments held at fair value through profit or loss or through other comprehensive income may be misstated due to the application of valuation techniques which often involve the exercise of judgement and the use of assumptions and estimates. A subjective estimate exists for instruments where the valuation method uses significant unobservable inputs which is principally the case for level 3 financial instruments. The estimate measurement of fair value is more judgemental in respect of Level 3 assets, these are valued based on models that use a significant degree of non-market-based unobservable inputs.

Observable prices or model inputs are usually available in the market for listed debt and equity securities. The availability of observable market prices and model inputs reduces the need for management judgement and estimation and also reduces the uncertainty associated with determining fair values.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using a valuation technique.

The following table shows an analysis of financial instruments recorded at Fair value hierarchy:

(₹ in Million)

Particulars	As at March 31, 2023			As at March 31, 2022		
	Fair Value through Profit or loss	Amortised Cost	Carrying Value	Fair Value through Profit or loss	Amortised Cost	Carrying Value
Financial Assets						
Cash and cash equivalents	-	1,694.40	1,694.40	-	10,948.28	10,948.28
Bank balance other than above	-	26,674.00	26,674.00	-	26,453.23	26,453.23
Receivables						
(I) Trade receivables	-	221.89	221.89	-	282.41	282.41
(II) Other receivables	-	313.72	313.72	-	177.61	177.61
Loans	-	4,905.86	4,905.86	-	4,733.31	4,733.31
Investments						
- Equity Shares	84.04	-	84.04	184.08	-	184.08
- Preference Shares	-	-	-	-	-	-
- Mutual Fund	196.20	-	196.20	289.16	-	289.16
- ETF	-	-	-	-	-	-
- Debt Instruments	176.84	-	176.84	1,439.96	-	1,439.96
- Alternate Investment Fund	444.63	-	444.63	362.28	-	362.28
Other financial assets	-	12,279.90	12,279.90	-	9,897.35	9,897.35
Total	901.71	46,089.77	46,991.48	2,275.48	52,492.19	54,767.67
Financial Liabilities						
Trade payables	-	25.22	25.22	-	16.55	16.55
Other payables	-	863.38	863.38	-	928.08	928.08
Borrowings (other than debt securities)	-	4,858.43	4,858.43	-	6,070.41	6,070.41
Other financial liabilities	-	32,415.19	32,415.19	-	40,964.45	40,964.45
Total	-	38,162.22	38,162.22	-	47,979.49	47,979.49



Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2023 (Contd.)

34 E. 1. FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE – FAIR VALUE HIERARCHY

The following table analyses financial instruments measured at fair value at the reporting date, by the level in the fair value hierarchy into which the fair value measurement is categorised. The amounts are based on the values recognised in the statement of financial position.

(₹ in Million)

Financial instruments measured at fair value - recurring fair value measurements	Recurring fair value measurement as at March 31, 2023			
	Level 1	Level 2	Level 3	Total
Mutual fund	196.20	-	-	196.20
Equity instruments	84.04	-	-	84.04
Debt Instruments	-	125.05	51.79	176.84
Alternate investment funds	-	-	444.63	444.63
Total Assets	280.24	125.05	496.42	901.71

(₹ in Million)

Financial instruments measured at fair value - recurring fair value measurements	Recurring fair value measurement as at March 31, 2022			
	Level 1	Level 2	Level 3	Total
Mutual fund	289.16	-	-	289.16
Equity instruments	184.08	-	-	184.08
Debt Instruments	800.41	587.51	52.04	1,439.96
Alternate investment funds	-	-	362.28	362.28
Total Assets	1,273.65	587.51	414.32	2,275.48

34 E. 2. VALUATION METHODOLOGIES OF FINANCIAL INSTRUMENTS NOT MEASURED AT FAIR VALUE

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Group's financial statements. These fair values were calculated for disclosure purposes only.

Short-term financial assets and liabilities

For financial assets and financial liabilities that have a short-term nature, the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include: cash and bank balances, balances other than cash and cash equivalents, Trade receivables, other receivables, and trade payables

(₹ in Million)

Particulars	As at March 31, 2023			As at March 31, 2022		
	Carrying Value	Fair Value	Fair Value Hierarchy	Carrying Value	Fair Value	Fair Value Hierarchy
Assets						
Cash and cash equivalents	1,694.40	1,694.40	-	10,948.28	10,948.28	-
Bank balance other than above	26,674.00	26,674.00	-	26,453.23	26,453.23	-
Receivables						
(I) Trade receivables	221.89	221.89	-	282.41	282.41	-
(II) Other receivables	313.72	313.72	-	177.61	177.61	-
Loans	4,905.86	4,905.86	-	4,733.31	4,733.31	-
Investment in Associate	-	-	-	-	-	-
Security Deposit with landlords	155.24	136.58	Level 3	103.79	95.06	Level 3

Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2023 (Contd.)

(₹ in Million)

Particulars	As at March 31, 2023			As at March 31, 2022		
	Carrying Value	Fair Value	Fair Value Hierarchy	Carrying Value	Fair Value	Fair Value Hierarchy
Security Deposit with others	100.34	100.34	-	82.33	82.33	-
Other financial assets	12,024.32	12,024.32	-	9,711.23	9,711.23	-
Total Assets	46,089.77	46,071.11		52,492.19	52,483.46	
Liabilities						
Trade payables	25.22	25.22	-	16.55	16.55	-
Other payables	863.38	863.38	-	928.08	928.08	-
Borrowings (other than debt securities)	4,858.43	4,858.43	-	6,070.41	6,070.41	-
Security Deposit from tenants	88.01	77.70	Level 3	86.05	80.65	Level 3
Security Deposit from others	392.96	392.96	-	486.09	486.09	-
Other financial liabilities	31,934.22	31,934.22	-	40,392.31	40,392.31	-
Total Liabilities	38,162.22	38,151.91		47,979.49	47,974.09	

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

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

(₹ in Million)

Particulars	Alternate Investment Fund	Debt	Equity	Total
Balances as at April 01, 2021	311.98	143.15	33.48	488.61
Purchase	152.07	-	-	152.07
Sale/redemption	(77.33)	(95.57)	(33.48)	(206.38)
Total gain / losses recognise in profit or loss	(24.43)	4.45	-	(19.98)
Balances as at March 31, 2022	362.29	52.03	-	414.32
Purchase	54.91	-	-	54.91
Sale/redemption	(0.73)	-	-	(0.73)
Total gain / losses recognise in profit or loss	28.16	(0.24)	-	27.92
Balances as at March 31, 2023	444.63	51.79	-	496.42

34 E. 4. MEASUREMENT OF FAIR VALUE

The fair values of Investments in Equity share and Bonds is based on last traded price and Alternate Investment Fund, Mutual Funds is based on the net asset value (NAV) as stated by the issuers of these alternate asset funds in the published statements as at the Balance Sheet date. NAV represents the price at which the issuer will issue further units of alternate asset fund and the price at which issuers will redeem such units from the investors.



Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2023 (Contd.)

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

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

NOTE 35: CAPITAL AND OTHER COMMITMENTS AT BALANCE SHEET DATE:

(₹ in Million)

Sr. No.	Particulars	As at March 31, 2023	As at March 31, 2022
(i)	Capital commitment	218.98	77.82
(ii)	Other commitment	60.00	147.76

Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2023 (Contd.)

NOTE 36: CONTINGENT LIABILITIES:

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

(₹ in Million)

Sr. No.	Particulars	As at March 31, 2023	As at March 31, 2022
(i)	In respect of income tax demands (see note 1)	217.84	185.98
(ii)	In respect of Service tax demands (see note 2)	153.04	452.47
(iii)	In respect of MVAT Demands (see note 3)	1.93	0.63
(iv)	Bank guarantees (see note 4)	16,401.00	7,468.03
(v)	In respect of other legal case	288.92	343.27

Notes :

- Amount paid under protest with respect to income tax demand ₹ 100.93 million (March 31, 2022 ₹ 51.52 million)
- Amount paid under protest with respect to service tax demand ₹ 12.02 million (March 31, 2022 ₹ 11.69 million)
- Amount paid under protest with respect to MVAT demand ₹ 0.63 million (March 31, 2022 ₹ 0.63 million)
- Bank Guarantees given as collateral for margins to various stock exchanges against fixed deposit of ₹ 8200.00 million (Previous Year ₹ 3733.30 million). Bank Guarantees given to Pollution Board against Fixed Deposit of ₹ 1.00 million (Previous Year ₹ 1.00 million)
- IIFL Commodities Limited ("IICL") was a member of National Spot Exchange Limited (NSE) till 2013. NSE had defaulted in its settlement obligations to investors including pay-out of ₹ 2795.4 million to IICL's Clients who traded on the Exchange Platform till July 2013. The matter has been under investigation by EOW, ED, SEBI, SFIO as well as other investigating authorities/Courts and is currently pending before such authorities/courts.

Further, SEBI vide its order dated November 29, 2022 has held that the IIFL Commodities Limited ("IICL") does not satisfy the 'fit and proper person' criteria specified in Schedule II of the Intermediaries Regulations and rejected IICL's application for registration as a member and debarred it from making fresh application, for the period 6 months. IICL preferred an appeal against the said order before SAT and the same is pending.

- The above contingent liability does not include Income Tax liability of ₹ 187.39 millions arising due to error in processing of return by the Income Tax Department for which rectification application has been filed and outflow of resources is considered remote.

NOTE 37: CORPORATE SOCIAL RESPONSIBILITY

During the year ended March 31, 2023 the Group spent ₹ 59.78 million (previous year ₹ 33.99 million) out of the total amount of ₹ 50.45 million (previous year ₹ 43.32 million) required to be spent as per section 135 of the Companies Act 2013 in respect of Corporate Social Responsibility [CSR]. Unspent amount of ₹ 9.33 million for the previous year for ongoing projects has been spent during current year.

(₹ in Million)

Particulars	As at March 31, 2023	As at March 31, 2022
Amount required to be spent by the company during the year	50.45	43.32
Amount of expenditure incurred	59.78	33.99
Shortfall at the end of the year	-	9.33
Total of previous years shortfall	9.33	-
Reason for shortfall	NA	Pertains to ongoing projects
Details of related party transactions	Contributed to India Infoline Foundation ₹ 59.78 million	Contributed to India Infoline Foundation ₹ 31.34 million



Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2023 (Contd.)

The Company undertakes the following activities in the nature of Corporate social responsibility (CSR):

- Promoting employment enhancing vocational skills, especially among youths, through livelihood enhancement projects in aspirational districts
- Promoting education and special education among children and women, especially from marginalised and vulnerable communities
- Contributions to public funded universities; recognised by the Indian Council of Agricultural Research (ICAR) for research and development in science and agriculture
- Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, and agroforestry
- Promoting healthcare, including preventive health and sanitation
- Promoting gender equality, empowering women, and taking measures to reduce inequalities faced by socially and economically backward groups

For detailed report, please refer annexure -1 "Corporate social responsibility (CSR)" in Director report.

NOTE 38: DISCLOSURE OF RATIOS

Additional regulatory information required under (WB) (xvi) of Division III of Schedule III amendment, disclosure of ratios, is not applicable to the Company as it is in broking business and not an NBFC registered under Section 45-IA of Reserve Bank of India Act, 1934.

NOTE 39: ASSETS PLEDGED AS SECURITY

The carrying amounts of assets pledged as security for borrowings are:

(₹ in Million)

Particulars	As at March 31, 2023	As at March 31, 2022
Financial assets		
First charge		
Other financial assets	11,106.74	8,705.52
Fixed Deposit	1,807.50	2,594.30
Non-financial assets		
First charge		
Land and buildings	1,723.78	1,857.68
Total assets pledged as security	14,638.02	13,157.50

Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2023 (Contd.)

NOTE 40: DISCLOSURE AS PER IND AS -108 "SEGMENT REPORTING":

Considering the nature of the business of the Group, the management has classified its segments based on Management Approach under Ind AS 108 as below:

Business Segment	Principal activities
(i) Capital market activity	Capital Market and other related activities including distribution of financial services spaces offering capital market services such as equity broking, currency broking, commodity broking, depository participant services, merchant banking business and third party financial product distribution services.
(ii) Insurance broking and ancillary	Insurance broking and wellness services
(iii) Facility & ancillary	Facilities and ancillary services includes real estate broking and other advisory services.

As at March 31, 2023

(₹ in Million)

Particulars	Capital Market Activity	Insurance Broking & Ancillary	Facilities & Ancillary	Total
I Segment revenue				
a External	12,401.60	980.21	826.50	14,208.31
Inter segment revenue				(504.46)
Total revenue				13,703.85
II Results				
a Segment result	3,186.98	217.86	3.89	3,408.73
Less : - Unallocated				-
Profit before tax				3,408.73
b Interest income	2,024.82	-	0.07	2,024.89
Add : - Unallocated				-
Net interest income				2,024.89
c Interest expense	573.88	11.77	169.90	755.55
Add : - Unallocated				-
Net Interest expense				755.55
d Current tax				910.63
e Net profit after tax				2,498.10
III Segment assets	47,081.57	604.22	4,062.64	51,748.43
Add : - Unallocated corporate assets				625.57
Net assets				52,374.00
IV Segment liabilities	36,399.25	453.30	1,952.77	38,805.32
Add : - Unallocated corporate liabilities				71.20
Net liabilities				38,876.52
V Capital expenditure	109.05	32.93	9.35	151.33
VI Depreciation	430.55	44.85	192.96	668.36



Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2023 (Contd.)

As at March 31, 2022

(₹ in Million)

Particulars	Capital Market Activity	Insurance Broking	Facilities & Ancillary	Total
I Segment revenue				
a External	11,158.71	545.24	2,000.14	13,704.09
Inter segment revenue				(539.98)
Total revenue				13,164.11
II Results				
a Segment result	3,129.08	236.83	655.12	4,021.03
Less : - Unallocated				-
Profit before tax				4,021.03
b Interest income	981.51	-	812.62	1,794.13
Add : - Unallocated				-
Net interest income				1,794.13
c Interest expense	307.31	3.07	704.95	1,015.33
Add : - Unallocated				-
Net Interest expense				1,015.33
d Current tax				962.72
e Net profit after tax				3,058.31
III Segment assets	54,116.54	344.86	5,332.11	59,793.51
Add : - Unallocated corporate assets				616.98
Net assets				60,410.49
IV Segment liabilities	45,430.13	138.60	2,883.35	48,452.08
Add : - Unallocated corporate liabilities				140.49
Net liabilities				48,592.57
V Capital expenditure	132.82	6.31	13.05	152.18
VI Depreciation	428.88	14.21	191.47	634.56

NOTE 41 : SHARE BASED PAYMENTS

a) The details of Employee Stock Option Schemes are as under:

Particulars	ESOP 2018	ESOP 2019
Method of Accounting	Fair Value	Fair Value
Vesting Plan	Options granted would vest over a period of five years subject to a minimum period of one year from the date of grant of options	
Exercise Period	Seven years from the date of grant	Seven years from the date of grant
Grant Date	October 30, 2019, January 07, 2021 and October 08, 2021	March 08, 2016 and April 29, 2017
Grant Price (₹ per share)	₹ 30.85, ₹ 49.00 and ₹ 99.40	₹ 82.02 and ₹ 218.71

Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2023 (Contd.)

b) (i) Movement of options during the year ended March 31, 2023 of ESOP 2019 Scheme (Demerger Scheme)

Particulars	Options Outstanding	Range of exercise price (in ₹)	Weight average exercise price (in ₹)	Weight average remaining contractual life (Years)
Outstanding as on April 1, 2022	273,416	82.02 - 218.71	88.02	0.99
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Expired during the year	(251,194)	82.02	82.02	-
Exercised during the year	(10,222)	82.02	82.02	-
Outstanding as on March 31, 2023	12,000	218.71	218.71	1.08
Exercisable as on March 31, 2023	12,000	218.71	218.71	1.08

b) (ii) Movement of options during the year ended March 31, 2023 of ESOP 2018 Scheme

Particulars	Options Outstanding	Range of exercise price (in ₹)	Weight average exercise price (in ₹)	Weight average remaining contractual life (Years)
Outstanding as on April 1, 2022	13,117,938	30.85 - 99.40	63.83	5.57
Granted during the year	-	-	-	-
Forfeited during the year	(2,099,417)	30.85 - 99.40	65.86	-
Expired during the year	(248,698)	30.85 - 99.40	66.35	-
Exercised during the year	(1,582,514)	30.85 - 49.00	35.45	-
Outstanding as on March 31, 2023	9,187,309	30.85 - 99.40	68.19	4.64
Exercisable as on March 31, 2023	3,006,978	30.85 - 99.40	59.46	4.39

c) (i) Movement of options during the year ended March 31, 2022 of ESOP 2019 Scheme (Demerger Scheme)

Particulars	Options Outstanding	Range of exercise price (in ₹)	Weight average exercise price (in ₹)	Weight average remaining contractual life (Years)
Outstanding as on April 1, 2021	445,641	61.40 - 218.71	87.62	1.89
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Expired during the year	(66,145)	61.40 - 218.71	94.95	-
Exercised during the year	(106,080)	82.02	82.02	-
Outstanding as on March 31, 2022	273,416	82.02 - 218.71	88.02	0.99
Exercisable as on March 31, 2022	273,416	82.02 - 218.71	88.02	0.99



Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2023 (Contd.)

c) (ii) Movement of options during the year ended March 31, 2022 of ESOP 2018 Scheme

Particulars	Options Outstanding	Range of exercise price (in ₹)	Weight average exercise price (in ₹)	Weight average remaining contractual life (Years)
Outstanding as on April 1, 2021	8,937,938	30.85 - 49.00	32.89	5.72
Granted during the year	6,500,000	99.40	99.40	-
Forfeited during the year	(1,368,256)	30.85 - 99.40	53.59	-
Expired during the year	(56,924)	30.85	30.85	-
Exercised during the year	(894,820)	30.85 - 49.00	30.87	-
Outstanding as on March 31, 2022	13,117,938	30.85 - 99.40	63.83	5.57
Exercisable as on March 31, 2022	1,331,494	30.85 - 49.00	33.58	4.76

NOTE 42: RELATED PARTIES DISCLOSURES

(i) List of related parties where control exists:

Relationship	Name of the related party
Director and its Relatives	Mr. R. Venkataraman – Chairman and Managing Director
	Mr. Narendra Jain - Whole Time Director
	Mr. Anand Bathiya - Independent Director
	Mr. Viswanathan Krishnan - Independent Director
	Ms. Rekha Warriar - Independent Director
	Mr. Shamik Das Sharma - Independent Director
	Mrs. Aditi Athavankar (wife of Mr. R. Venkataraman)
Subsidiary	India Infoline Foundation (a section 8 Company)
Associate	Giskard Datatech Private Limited (associate w.e.f. November 06, 2020 till December 30, 2021)
Other Related Parties	IIFL Finance Limited
	5paise Capital Limited
	IIFL Home Finance Limited
	360 ONE Wam Limited (Formerly known as IIFL Wealth Management Limited)
	IIFL Asset Management Limited
	IIFL Wealth Distribution Services Limited (Formerly known as IIFL Distribution Services Limited)
	IIFL Wealth Prime Limited (Formerly known as IIFL Wealth Finance Limited)
	IIFL Inc
	IIFL Samasta Finance Limited (Formerly known as Samasta Microfinance Limited)
	IIFL Sales Limited (Step-Down Subsidiary of IIFL Finance Limited)
	IIFL Alternate Assets Advisors Limited
	Mrs. Madhu Jain (wife of Mr. Niramal Jain - Promoter)
	India Infoline Employee Trust

Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2023 (Contd.)

(ii) Transactions during the year with related parties:

Nature of transactions	FY 2022-23	FY 2021-22
	(₹ in Million)	
Brokerage income /Delayed payin charges, etc:		
a) Director and its relatives		
R. Venkataraman	0.86	0.38
Mrs. Aditi Athavankar	0.06	0.01
Narendra Jain	0.00	0.00
b) Other related parties		
Mrs. Madhu Jain	0.02	
IIFL Finance Limited	2.61	0.88
Interest income on inter corporate deposit/others		
a) Other related parties		
IIFL Finance Limited	-	90.07
IIFL Home Finance Limited	-	0.70
Distribution Income		
a) Other related parties		
IIFL Finance Limited	70.02	229.85
IIFL Asset Management Limited	169.41	73.91
5Paisa Capital Limited	-	47.72
IIFL Samasta Finance Limited	4.95	0.01
IIFL Home Finance Limited*	(5.78)	238.92
IIFL INC*	(0.04)	-
Rent income:		
a) Other related parties		
IIFL Finance Limited	21.12	19.24
IIFL Home Finance Limited	17.05	-
5 Paisa Capital Limited	24.19	22.55
Rent expense:		
a) Other related parties		
360 ONE Wam Limited	46.03	46.03
b) Director and its relatives		
Mrs. Aditi Athavankar	2.40	2.40
Interest expenses on inter corporate deposits:		
a) Other related parties		
IIFL Finance Limited	51.33	68.08
IIFL Home Finance Limited	1.51	-
Distribution fees		
a) Other related parties		
IIFL Finance Limited	108.50	-
IIFL Wealth Distribution Services Limited	0.09	3.55
360 ONE Wam Limited	1.02	28.11



Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2023 (Contd.)

(₹ in Million)

Nature of transactions	FY 2022-23	FY 2021-22
Corporate Social Responsibility Expenses:		
a) Subsidiaries		
India Infoline Foundation	59.78	31.34
Remuneration:		
Director's	66.51	49.91
Director's commission / sitting fees:		
Rekha Warriar	1.54	0.41
Shamik Das Sharma	1.32	0.35
Viswanathan Krishnan	1.59	0.48
Anand Bhatiya	1.57	0.51
Deposit - Taken:		
a) Other related parties		
IIFL Finance Limited	0.16	0.43
IIFL Home Finance Limited	5.11	-
5paisa Capital Limited	0.51	-
Deposit - Repaid:		
a) Other related parties		
IIFL Finance Limited	0.05	-
Inter corporate deposit taken:		
a) Other related parties		
IIFL Finance Limited	10,650.00	44,525.00
IIFL Home Finance Limited	3,700.00	-
Inter corporate deposit taken and repaid:		
a) Other related parties		
IIFL Finance Limited	10,650.00	44,525.00
IIFL Home Finance Limited	3,700.00	-
Inter corporate deposit given:		
a) Other related parties		
IIFL Finance Limited	-	44,505.96
IIFL Home Finance Limited	-	450.00
Inter corporate deposit given and received back:		
a) Other related parties		
IIFL Finance Limited	-	44,505.96
IIFL Home Finance Limited	-	450.00
Allocation/Reimbursement of expenses paid:		
a) Other related parties		
IIFL Finance Limited	32.05	28.69
IIFL Home Finance Limited	7.71	3.99
5paisa Capital Limited	13.97	-
Allocation/Reimbursement of expenses received:		
a) Other related parties		
IIFL Finance Limited	118.80	108.94
IIFL Home Finance Limited	43.54	52.86
IIFL Wealth Prime Limited	0.81	0.16
IIFL Sales Limited	0.15	-
5paisa Capital Limited	69.10	67.31

Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2023 (Contd.)

(₹ in Million)		
Nature of transactions	FY 2022-23	FY 2021-22
Others paid:		
a) Other related parties		
360 ONE Wam Limited	-	0.06
IIFL Finance Limited	9.41	9.04
IIFL Home Finance Limited	3.96	3.14
5paise Capital Limited	4.53	3.13
India Infoline Employee Trust	0.10	-
IIFL INC*	(0.01)	-
b) Subsidiaries		
India Infoline foundation	0.10	-
Others Received:		
a) Other related parties		
IIFL Finance Limited	9.64	22.22
India Infoline Employee Trust	0.10	-
IIFL Sales Limited	0.02	0.03
IIFL Asset Management Limited	-	0.20
IIFL Home Finance Limited	2.17	3.28
5paise Capital Limited	2.25	2.37
IIFL INC	-	0.74
b) Subsidiaries		
India Infoline foundation	0.20	-
Purchase of investment		
a) Other related parties		
IIFL Samasta Finance Limited	550.89	1,007.78
IIFL Finance Limited	300.00	558.07
Sale of investment		
a) Other related parties		
IIFL Samasta Finance Limited	-	0.40
IIFL Finance Limited	0.01	1,121.99
b) Associate		
Giskard Datatech Private Limited	-	38.21

(iii) Balance outstanding

(₹ in Million)		
Nature of transactions	As at March 31, 2023	As at March 31, 2022
Sundry Payable:		
a) Other related parties		
IIFL Finance Limited	34.20	-
IIFL Home Finance Limited	1.79	-
5Paise Capital Limited	7.64	-
IIFL Inc	0.24	0.18
360 ONE Wam Limited	-	4.14
Mrs. Madhu Jain	6.31	-



Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2023 (Contd.)

(₹ in Million)

Nature of transactions	As at March 31, 2023	As at March 31, 2022
b) Director's and its relatives		
Mrs. Aditi Athavankar	-	0.00
Sundry Receivable:		
a) Other related parties		
IIFL Finance Limited	-	12.52
5paisa Capital Limited	-	3.90
IIFL Home Finance Limited	-	0.42
IIFL Asset Management Limited	0.78	23.16
IIFL Sales Limited	0.00	0.04
IIFL Wealth Prime Limited	0.01	0.06
b) Subsidiaries		
India Infoline Foundation	0.10	9.33
c) Director		
R. Venkataraman	0.00	0.02
Security deposit taken		
a) Other related parties		
IIFL Home Finance Limited	5.11	-
5paisa Capital Limited	11.39	10.88
IIFL Finance Limited	9.29	9.18
Security deposit given		
a) Director's and its relatives		
Mrs. Aditi Athavankar	50.00	50.00
Interest accrued but not due:		
a) Other related parties		
IIFL Home Finance Limited	4.97	4.91
IIFL Finance Limited	-	19.67
Investment in non-convertible debentures / market linked debenture		
a) Other related parties		
IIFL Home Finance Limited	120.00	120.00
IIFL Finance Limited	-	443.01

*Negative amount represents clawback.

Note:

- Amount is less than ₹ 0.01, hence shown ₹ 0.00 million, wherever applicable.
- As the future liability for retirement and other employee benefits is provided on an actuarial basis for the Group as a whole, the amount pertaining to directors and key managerial personnel is not included above.
- 360 ONE Wam Limited (Formerly known as IIFL Wealth Management Limited) has provided a letter of undertaking-cum-indemnity to the holding Company towards a civil suit pending against IIFL Wealth (UK)Ltd., a wholly owned subsidiary of the holding Company, inter-alia, to defend the said suit and indemnify the holding Company and its directors against claims, if any, arising from the same.

Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2023 (Contd.)

NOTE 43: SUMMARY OF CONSOLIDATION

a) Enterprises consolidated as subsidiary in accordance with Indian Accounting Standard 110 - Consolidated Financial Statements.

Sr. No.	Name of subsidiaries	Country of Incorporation	Proportion of ownership interest	
			March 31, 2023	March 31, 2022
1	Livlong Insurance Brokers Limited (Formerly known as IIFL Insurance Brokers Limited)	India	100.00%	100.00%
2	IIFL Management Services Limited	India	100.00%	100.00%
3	IIFL Facilities Services Limited	India	100.00%	100.00%
4	IIFL Commodities Limited	India	100.00%	100.00%
5	IIFL Capital Inc.	USA	100.00%	100.00%
6	IIFL Wealth (UK) Limited	UK	100.00%	100.00%
7	Livlong Protection & Wellness Solutions Limited (Formerly known as IIFL Corporate Services Limited) (Formerly IIFL Asset Reconstruction Limited)	India	95.00%	95.00%
8	IIFL Securities Services IFSC Limited	India	100.00%	100.00%
9	Meenakshi Towers LLP	India	100.00%	100.00%
10	Shreyans Foundation LLP	India	99.00%	99.00%

b) Additional information, as required under schedule III to the Companies Act, 2013, of enterprises consolidated as subsidiaries and associates.

As at March 31, 2023

Particulars	Net Assets i.e. Total Assets minus Total Liabilities		Share in Profit or Loss (including exceptional items)		Share in Other Comprehensive Income		Share in Total Comprehensive Income (including exceptional items)	
	As % of consolidated Net Assets	(₹ in million)	As % of consolidated Profit or Loss	(₹ in million)	As % of consolidated Other Comprehensive Income	(₹ in million)	As % of consolidated Total Comprehensive Income	(₹ in million)
Parent								
IIFL Securities Limited	85.24%	11,505.52	113.46%	2,834.31	89.61%	(15.81)	113.63%	2,818.50
Subsidiaries								
Indian								
1 Livlong Insurance Brokers Limited (Formerly known as IIFL Insurance Brokers Limited)	2.04%	276.53	10.60%	264.46	4.87%	(0.86)	10.63%	263.60
2 IIFL Management Services Limited	2.18%	294.68	(10.36%)	(258.79)	1.68%	(0.30)	(10.45%)	(259.09)
3 IIFL Facilities Services Limited	13.77%	1,858.09	10.55%	263.60	2.78%	(0.49)	10.61%	263.11
4 IIFL Commodities Limited	0.17%	23.01	(2.59%)	(64.66)	-	-	(2.61%)	(64.66)
5 Livlong Protection & Wellness Solutions Limited (Formerly known as IIFL Corporate Services Limited) (Formerly IIFL Asset Reconstruction Limited)	(0.75%)	(101.80)	(4.17%)	(104.16)	1.06%	(0.19)	(4.21%)	(104.35)
6 IIFL Securities Services IFSC Limited	0.02%	2.17	(0.03%)	(0.68)	-	-	(0.03%)	(0.68)
7 Meenakshi Towers LLP	(0.47%)	(62.93)	13.90%	347.21	-	-	14.01%	347.21
8 Shreyans Foundation LLP	(0.06%)	(8.74)	7.00%	174.92	-	-	7.05%	174.92
Foreign								
1 IIFL Capital Inc.	0.79%	107.23	0.54%	13.50	-	-	0.54%	13.50
2 IIFL Wealth (UK) Limited	0.13%	17.01	(0.03%)	(0.72)	-	-	(0.03%)	(0.72)
Elimination	(3.06%)	(413.29)	(38.87%)	(970.89)	-	-	(39.14%)	(970.89)
Total	100.00%	13,497.48	100.00%	2,498.10	100%	(17.65)	100.00%	2,480.45



Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2023 (Contd.)

NOTE 44: 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 45: NOTE ON LABOUR CODE

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

NOTE 46: OTHER DISCLOSURE

- i) No funds have been advanced or loaned or invested by the company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- ii) No funds have been received by the company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- iii) The Company does not have any long-term contracts including derivative contracts for which there are any material foreseeable losses.
- iv) There were no amounts which were required to be transferred to the Investor Education and Protection by the Company.
- v) No proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988).
- vi) The Company has not been declared as wilful defaulter by any bank or financial Institution or other lender.
- vii) During the year, the company has not entered into any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
- viii) There are no transactions which have not been recorded in the books of accounts and which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2023 (Contd.)

- ix) There are no charges or satisfaction yet to be registered with the registrar of companies beyond the statutory period.
- x) The company does not have layers beyond the number prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.
- xi) The company has not traded or invested in Crypto Currency or Virtual Currency during the financial year.

NOTE 47: DEMERGER OF ONLINE RETAIL TRADING BUSINESS TO 5PAISA CAPITAL LIMITED

The Board of the holding company in its meeting held on Tuesday, December 06, 2022 had considered and approved the scheme of arrangement between IIFL Securities Limited ("Demerged Company") and 5paisa Capital Limited ("Resulting Company") and their respective shareholders and creditors ("Scheme"). The Scheme, inter alia, provides for the demerger, transfer and vesting of the Online Retail Trading Business of the Demerged Company into the Resulting Company, on a going concern basis (with effect from the appointed date April 01, 2023) and in consideration thereof, the Resulting Company shall issue its equity shares to the shareholders of the Demerged Company. These shares shall be listed on Bombay Stock Exchange Limited and the National Stock Exchange of India Limited (collectively referred to as "stock exchanges"). The Scheme is, inter alia, subject to receipt of the statutory, regulatory and customary approvals, including approvals from stock exchanges, National Company Law Tribunal, Mumbai Bench and the shareholders and creditors of the companies involved in the scheme.

As per our attached report of even date

For V Sankar Aiyar & Co.

Chartered Accountants

Firm's Registration No.109208W

For and on behalf of Board of Directors

S. Nagabushanam

Partner

Membership No.: 107022

R. Venkataraman

Chairman and Managing Director

(DIN: 00011919)

Narendra Jain

Whole Time Director

(DIN: 01984467)

Place : Mumbai

Dated : April 24, 2023

Ronak Gandhi

Chief Financial Officer

Meghal Shah

Company Secretary



ANNEXURE - A to the Consolidated Financial Statements

Form AOC-I

((Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

Sr. No.	Particulars	IIFL Management Services Limited	IIFL Facilities Services Limited	IIFL Commodities Limited	Livlong Insurance Brokers Limited	Livlong Protection & Wellness Solutions Limited	IIFL Capital Inc.	IIFL Wealth (UK) Limited	Meenakshi Towers LLP	Shreyans Foundation LLP	IIFL Securities Services IFSC Limited
1	Share Capital	2.81	90.00	3.14	10.00	41.00	40.29	11.20	0.10	1.00	5.00
2	Other Equity	291.88	1,768.09	19.87	266.54	(142.80)	66.94	5.81	(63.03)	(9.74)	(2.83)
3	Total Assets	1,481.57	3,883.64	125.06	519.13	168.67	142.09	21.22	18.79	45.83	7.88
4	Total Liabilities	1,186.88	2,025.55	102.05	242.59	270.47	34.86	4.21	81.72	54.57	5.71
5	Investments	210.07	0.99	-	94.29	-	-	-	-	-	-
6	Total Turnover	465.21	727.01	(0.06)	713.65	266.56	136.36	-	429.56	1.50	-
7	Profit/(loss) before tax (including exceptional item)	(253.51)	289.74	(63.04)	356.85	(138.99)	10.95	(0.72)	347.21	174.92	(0.68)
8	Provision for taxation (including deferred tax)	5.29	26.14	1.63	92.38	(34.82)	(2.55)	-	-	-	-
9	Profit/(loss) after tax	(258.79)	263.61	(64.66)	264.47	(104.16)	13.50	(0.72)	347.21	174.92	(0.68)
10	Total Comprehensive Income	(259.09)	263.12	(64.66)	263.61	(104.35)	13.50	(0.72)	347.21	174.92	(0.68)
11	Exchange Rate	-	-	-	-	-	82.11	101.56	-	-	-
12	Reporting Currency	INR	INR	INR	INR	INR	USD	GBP	INR	INR	INR
13	Proposed Dividend	-	-	-	-	-	-	-	-	-	-
14	% of share holding	100	100	100	100	95	100	100	100	99	100

Notes:

1. All subsidiaries have common year end of March 31, 2023 hence no additional information under Section 129(3) read with rule 5 has been disclosed.

2. Names of subsidiaries which are yet to commence operations

IIFL Securities Services IFSC Limited

Part "B": Associates

(₹ in Million)

Sr. No.	Name of Associate	NA
1	Latest Audited Balance Sheet Date	-
	Date of acquisition	-
2	Shares of Associate/Joint Ventures held by the company on the year end	-
	No	-
	Amount of Investment in Associates/Joint Venture	-
	Extend of Holding %	-
3	Description of how there is significant influence	-
4	Reason why the associate/joint venture is not consolidated	-
5	Networth attributable to Shareholding as per latest audited Balance Sheet	-
6	Profit / (loss) for the year	
	i. Considered in Consolidation	-
	ii. Not Considered in Consolidation	-

For and on behalf of Board of Directors
R. Venkataraman

Chairman and Managing Director
(DIN: 00011919)

Narendra Jain

Whole Time Director
(DIN: 01984467)

Place : Mumbai

Dated : April 24, 2023

Ronak Gandhi

Chief Financial Officer

Meghal Shah

Company Secretary

Corporate information

As on April 24, 2023

BOARD OF DIRECTORS

Mr. R. Venkataraman

Chairman and Managing Director

Mr. Narendra Deshmal Jain

Whole-Time Director

Ms. Rekha Gopal Warriar

Independent Director

Mr. Shamik Das Sharma

Independent Director

Mr. Anand Shailesh Bathiya

Independent Director

Mr. Viswanathan Krishnan

Independent Director

KEY MANAGERIAL PERSONNEL

Mr. Ronak Gandhi

Chief Financial Officer

Ms. Meghal Shah

Company Secretary & Compliance Officer

MANDATORY BOARD COMMITTEES

Audit Committee

Nomination and Remuneration Committee

Stakeholders Relationship Committee

CSR Committee

Risk Management Committee

Information Technology Committee

Cyber Security Committee

AUDITORS

V. Sankar Aiyar & Co.

Chartered Accountants

REGISTRAR AND SHARE TRANSFER AGENT

Link Intime India Private Limited

C-101, 247 Park, 1st Floor,

L. B. S. Marg, Vikhroli (West),

Mumbai – 400 083

REGISTERED OFFICE

IIFL House, Sun Infotech Park, Road

No. 16V, Plot No. B-23, Thane

Industrial Area, Wagle Estate,

Thane – 400 604

CORPORATE OFFICE

Ground Floor, Hubtown Solaris,

N. S. Phadke Marg, Vijay Nagar, Andheri

East, Mumbai – 400 069

LIST OF CORPORATE BANKERS

ICICI Bank Ltd

HDFC Bank Ltd

Yes Bank Ltd

State Bank of India

Ratnakar Bank Ltd





IIFL SECURITIES LIMITED

CIN - L99999MH1996PLC132983

IIFL House, Sun Infotech Park, Road No. 16V, B-23, MIDC,
Thane Industrial Area, Wagle Estate, Thane - 400604

Tel: +91 22 41035000

Email - investor.relations@iifl.com | secretarial@iifl.com

Website: www.iiflsecurities.com

Visit us @
iiflsecurities.com

Scan the QR code to download
the IIFL Markets app



Scan the QR code to download
the IIFL Mutual Funds app



 /indiainfoline

 /IIFLMarkets

 /IIFLMarkets

 IIFL (India Infoline Group)