INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF IDFC LIMITED

Report on the audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated Ind AS financial statements of IDFC Limited ("the Holding Company" or "the Parent" or "the Company") and its subsidiaries (the parent and its subsidiaries together referred to as "the Group"), its associates and joint ventures, which comprise the consolidated balance sheet as at 31 March 2022 and the consolidated statement of profit (including other comprehensive income), the consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information ("the Consolidated Financial Statements").

2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements of such subsidiaries, associates and joint venture as were audited by the other auditors, the aforesaid Consolidated 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 the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and joint ventures as at 31 March 2022, and its consolidated profit and other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Act. Our responsibilities under those SAs 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, its associates and joint ventures 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 Consolidated 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 Code of Ethics. We believe that the audit evidence we have obtained along with the consideration of audit reports of the other auditors referred to in the "Other Matters" paragraph below is sufficient and appropriate to provide a basis for our opinion on the Consolidated Financial Statements.

Emphasis of Matter

4. We draw attention to Note 40(a) of the Consolidated Financial Statements, which highlights that as part of simplification of corporate structure, the Board of Directors of the Parent along with its three wholly owned subsidiaries (WOS) IDFC Alternatives Limited, IDFC Trustee Company Limited and IDFC Projects Limited, approved the merger of WOS into the Parent, subject to regulatory approvals from various authorities. Post Board approval, the Parent along with its three WOS has filed scheme of amalgamation with Official Liquidator (OL) – Chennai and with Regional Director(RD)/Registrar of Companies (ROC) – Chennai on 06 December 2021. The financial statements of these subsidiaries have been prepared on realisable value basis and accordingly, all assets and liabilities are stated at the value at which they are expected to be realised/ settled. The ROC, Chennai vide its letter dated 01 February 2022 intimated it's no observations/suggestions to the aforesaid scheme of amalgamation. Also, the Official Liquidator of Madras High Court vide its letter dated 24 March 2022, communicated it's no observations to the aforesaid scheme of amalgamation. Approval from RD is still awaited. Our opinion is not modified in respect of this matters.

Key Audit Matters

5. 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 year. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How the matter was addressed in our audit
Assessment of valuation of investments measured at fair value for which no listed price in an active market is available and valuation is carried out basis market information and significant unobservable inputs. (Refer note 6 to the consolidated financial statements.) The Group has investments in Venture Capital Funds ("VCF") units amounting to ₹ 301.26 crores measured at fair value, where no listed price in an active market is available. The corresponding fair value change is recognised in statement of profit and loss in accordance with related Accounting Standard (Ind-AS 109). In measuring the fair value of these investments, the Management considers the Net Asset Value ("NAV") declared by the investment managers of the VCF unit. NAV is considered as a significant unobservable input as the Company does not have direct access to the valuations of the underlying portfolio companies in which the VCFs have invested.	The following procedures were performed by us to test the valuation of investments which are measured at fair value for which no listed price in an active market is available: • We obtained an understanding from the management, assessed and tested the design and operating effectiveness of the Company's control over assessment of fair value of investments. • We verified that requisite approvals are in place with regards to Management's assessment of fair valuation of investments in VCF. • We traced the inputs used in the calculation from the source data (Statement of Accounts, NAV declared etc.) to verify the arithmetical accuracy of the calculation of valuation of investments.

The Management also reviews the performance of the portfolio companies on a regular basis by tracking the latest available financial statements/financial information, valuation report of independent valuers, investor communications and basis the said assessment determines whether any discount is required to be applied on the NAV communicated by the investment managers of VCF. The assessment made by the Management also takes into consideration the illiquidity considering the said investments are not actively traded in the market. The assessment prepared by the Management is placed before the Board of Directors for their approval at regular intervals. Considering the inherent subjectivity in the valuation of the above investments, relative significance of these investments to the consolidated financial statements and the nature and extent of the audit procedures involved, we determined this to be a key audit matter.	• We evaluated the adequacy of the disclosures in the consolidated financial statements. Based on our above audit procedures, we consider that the management's assessment of the fair value of the above investments for which no listed price in an active market is available is reasonable.

Other Information

6. The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report, but does not include the Consolidated Financial Statements and our auditors' report thereon. The Other Information is expected to be made available to us after the date of this auditor's report.

7. Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

8. 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 Consolidated Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done / audit report of other auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact.

Management's responsibility for the Consolidated Financial Statements

9. The Holding Company's Board of Directors are responsible for the preparation and presentation of these Consolidated Financial Statements, that give a true and fair view of the consolidated state of affairs, consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group including its associates and joint venture in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associates and joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and of its associates and joint venture and for preventing and detecting frauds and other irregularities; the 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 Consolidated 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.

10. In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group and of its associates and joint venture are responsible for assessing the ability of each company 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.

11. The respective Board of Directors of the companies included in the Group and of its associates and joint venture are responsible for overseeing the financial reporting process of the Group and of its associates and joint venture.

Auditor's responsibilities for the audit of the Consolidated Financial Statements

12. 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.

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

    13.1. 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.

    13.2. Obtain an understanding of internal control 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 Holding Company has adequate internal financial controls with reference to the Consolidated Financial Statements and the operating effectiveness of such controls.

    13.3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

    13.4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and joint venture to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and joint venture to cease to continue as a going concern.

    13.5. 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.

    13.6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates and joint venture to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of 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.

14. 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.

15. 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.

16. 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 year 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

17. We did not audit the financial statements of Five subsidiaries, whose financial statements reflect total assets of ₹ 9,907.57 crore (before consolidation adjustments) as at 31 March 2022, total revenue of ₹ 765.13 crore (before consolidation adjustments), total net profit after tax of ₹ 467.62 crore (before consolidation adjustments) and Total comprehensive income of ₹ 468.50 crore (before consolidation adjustments) and Net cash inflow of ₹ 191.84 crore (before consolidation adjustments) as considered in the Consolidated Financial Statements. The Consolidated Financial Statements also include the Group's share of net profit after tax of ₹ 7.30 crore and total comprehensive gain of ₹ 134.33 crore for the year ended 31 March 2022, as considered in the Consolidated Financial Statements, in respect of three associates, whose financial statements have not been audited by us. 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 these subsidiaries and associates, and our report in terms of section 143(3) of the Act, in so far as it relates to the aforesaid subsidiaries and associates, is based solely on the reports of the other auditors.

18. We did not audit the financial statements of one subsidiary whose financial statements reflect total assets of ₹ Nil as at 31 March 2022, total revenues of ₹ Nil and net cash flows amounting to ₹ Nil for the year ended on that date, as considered in the Consolidated Financial Statements. The Consolidated Financial Statements also include the Group's share of net profit/loss of ₹ Nil for the year ended 31 March 2022, as considered in the Consolidated Financial Statements, in respect of two associates and three joint ventures, whose financial statements have not been audited by us. These financial statements are unaudited and 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 these subsidiaries, joint venture and associates, and our report in terms of section 143(3) of the Act in so far as it relates to the aforesaid subsidiaries, joint venture and associates, 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 unaudited financial statements are not material to the Group.

19. Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the management.

20. The comparative financial statements of the Company for the year ended 31 March 2021 included in Consolidated Financial Statements, were audited by the then statutory auditors "Price Waterhouse & Co Chartered Accountants LLP" whose audit report dated 14 June 2021 expressed an unmodified opinion on those financial statements. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

21. As required by section 143(3) of the Act, based on our audit and on the consideration of audit reports of the other auditors on separate financial statements of such subsidiaries, associates and joint venture as were audited by other auditors, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:

    21.1. 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.

    21.2. 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 and the reports of the other auditors.

    21.3. The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flow 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.

    21.4. In our opinion, the aforesaid Consolidated Financial Statements comply with the Ind AS specified under Section 133 of the Act.

    21.5. On the basis of the written representations received from the directors of the Holding Company as on 31 March 2022, taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate companies and joint venture incorporated in India, none of the directors of the Group companies, its associate companies and joint venture incorporated in India are disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.

    21.6. With respect to the adequacy of internal financial controls with reference to the Consolidated Financial Statements of the Holding Company, its subsidiary companies, associate companies and joint ventures incorporated in India and the operating effectiveness of such controls, refer to our separate report in "Annexure A".

    21.7. In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary companies, associate companies and joint venture incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company, its subsidiary companies, associate companies and joint venture incorporated in India to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company, its subsidiary companies, associate companies and joint venture incorporated in India is not in excess of the limit laid down under Section 197 of the Act.

22. 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 and based on the consideration of audit reports of the other auditors on separate financial statements of such subsidiaries, associates and joint venture, as noted in the 'Other Matters' paragraph:

    22.1. The Consolidated Financial Statements disclose the impact of pending litigations as at 31 March 2022 on the consolidated financial position of the Group, its associates and joint venture – Refer Note 36 and note 46(b)(i) to the consolidated financial statements.

    22.2. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts as at March 31, 2022 - Refer (a) Note 44.3 to the consolidated financial statements in respect of such items as it relates to the Group, its associates and joint ventures and (b) Note 46 for the Group's share of net profit/loss in respect of its associates.

    22.3. There has been no delay in transferring amounts required to be transferred, to the Investor Education and Protection Fund by the Holding Company and/or its subsidiary companies, associate companies and joint venture incorporated in India during the year ended 31 March 2022.

    22.4. The management has represented that 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 Holding Company to or in any other person(s) or entity(ies), 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 Holding Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. Based on reasonable audit procedures adopted by us, nothing has come to our notice that such representation contains any material misstatement.

22.5. The management has represented that no funds have been received by the Holding Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding 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. Based on reasonable audit procedures adopted by us, nothing has come to our notice that such representation contains any material misstatement.

22.6. In our opinion and according to the information and explanations given to us, the dividend declared and / or paid during the year the Group is in compliance with Section 123 of the Act.

For Khimji Kunverji & Co LLP
Chartered Accountants
Firm Registration Number: 105146W/W100621

Gautam V Shah
Partner
ICAI Membership No: 117348
UDIN: 22117348AJHJBF4698

Place: Mumbai
Date: May 20, 2022

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

Annexure "A" to the Independent Auditors' report on the Consolidated Financial Statements of IDFC Limited for the year ended 31 March 2022

(Referred to in paragraph "21.6" under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls with reference to the aforesaid Consolidated Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

Opinion

1. In conjunction with our audit of the Consolidated Financial Statements of IDFC Limited as of and for the year ended 31 March 2022, we have audited the internal financial controls with reference to the Consolidated Financial Statements of IDFC Limited ("the Holding Company") and its subsidiary companies, its associate companies and its joint venture companies, which are companies incorporated in India, as of that date.

2. In our opinion, the Holding Company, and its subsidiary companies, its associate companies and its joint venture companies , which are companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to the Consolidated Financial Statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal controls over financial reporting criteria established by the respective companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the Guidance Note").

Management's responsibility for Internal Financial Controls

3. The respective Board of Directors of the Holding Company, its subsidiary companies, its associate companies and its joint venture companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the internal controls over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note. 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 the 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 Act.

Auditor's responsibility

4. Our responsibility is to express an opinion on the Holding Company, its subsidiaries, its associates and joint ventures, which are companies incorporated in India, internal financial controls with reference to the Consolidated Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing ("SA"), prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to the Consolidated Financial Statements. Those SAs 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 with reference to the Consolidated Financial Statements were established and maintained and if such controls operated effectively in all material respects.

5. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to the Consolidated Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to the Consolidated Financial Statements included obtaining an understanding of internal financial controls with reference to the Consolidated Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls 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 Consolidated Financial Statements, whether due to fraud or error.

6. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the 'Other Matters' paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to the Consolidated Financial Statements.

Meaning of Internal Financial controls with reference to the Consolidated Financial Statements

7. A company's internal financial controls with reference to the Consolidated Financial Statements 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 controls with reference to the Consolidated Financial Statements 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 with reference to the consolidated Financial Statements

8. Because of the inherent limitations of internal financial controls with reference to the Consolidated Financial Statements, 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 with reference to the Consolidated Financial Statements to future periods are subject to the risk that the internal financial controls with reference to the Consolidated Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Other Matters

9. Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls system with reference to the Consolidated Financial Statements in so far as it relates to five subsidiary companies and three associate companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiaries and associates incorporated in India.

For Khimji Kunverji & Co LLP
Chartered Accountants
Firm Registration Number: 105146W/W100621

Gautam V Shah
Partner
ICAI Membership No: 117348
UDIN: 22117348AJHJBF4698

Place: Mumbai
Date: May 20, 2022

CONSOLIDATED BALANCE SHEET

(₹ in crore)

	Notes	As at March 31, 2022	As at March 31, 2021
ASSETS			
Financial assets			
Cash and cash equivalents	3	286.47	42.11
Bank balances other than cash and cash equivalents	4	1.55	23.38
Derivative financial instruments	13	-	0.54
Receivables			
(i) Trade receivables	5A	-	12.71
(ii) Other receivables	5B	2.01	0.05
Investments	6		
- Accounted for using equity method		7,401.21	6,818.02
- Others		301.26	567.77
Other financial assets	7	1.15	11.90
Non-financial assets			
Income tax assets (net)	8	18.98	26.29
Deferred tax assets (net)	9	-	10.34
Property, plant and equipment	10	0.17	16.05
Right of Use Asset	15	-	34.27
Goodwill	11a	-	779.17
Other intangible assets	11	-	4.56
Other non-financial assets	12	0.29	23.66
Assets directly associated with disposal group classified as held for sale	33	1,151.01	-
Total assets		9,164.10	8,370.82
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Payables			
(I) Trade payables	14A		
(i) total outstanding dues of micro enterprises and small enterprises		-	0.04
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		-	12.66
(II) Other payables	14B		
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		4.53	3.08
Lease liabilities	15	-	37.52
Other financial liabilities	16	3.25	38.82
Non-financial Liabilities			
Income tax liabilities (net)	17	-	14.60
Provisions	18	-	1.97
Deferred tax liabilities (net)	19	18.08	8.33
Other non-financial liabilities	20	1.36	38.92
Liabilities directly associated with disposal group classified as held for sale	33	210.24	-
EQUITY			
Equity share capital	21	1,596.44	1,596.36
Other equity	22	7,330.20	6,618.52
Equity attributable to owners of IDFC Limited		8,926.64	8,214.88
Total liabilities and equity		9,164.10	8,370.82

See accompanying notes to the consolidated financial statements.

This is the consolidated balance sheet referred to in our report of even date.

For Khimji Kunverji & Co LLP
Chartered Accountants
Firm Registration No. 105146W/ W100621

Gautam V Shah
Partner
Membership Number: 117348

Mumbai, May 20, 2022

For and on behalf of the Board of Directors of
IDFC Limited
CIN: L65191TN1997PLC037415

Anil Singhvi
Independent Non-Executive Chairman
(DIN: 00239589)

Sunil Kakar
Managing Director & CEO
(DIN: 03055561)

Mahendra N. Shah
Company Secretary
(ACS: 4222)

Bipin Gemani
Chief Financial Officer
(PAN: AACPG6412A)

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2022

(₹ in crore)

	Notes	Year ended March 31, 2022	Year ended March 31, 2021
REVENUE FROM OPERATIONS			
Interest income	23	0.41	8.21
Net gain / (loss) on fair value changes	24	87.64	25.49
Total revenue from operations		88.05	33.70
Other income	25	9.77	47.43
Total income		97.82	81.13
EXPENSES			
Finance costs	26	0.48	10.43
Impairment on financial instruments	27	(0.75)	(4.31)
Loss on winding up of subsidiary		-	2.56
Employee benefits expenses	28	16.57	14.58
Depreciation, amortisation and impairment	29	3.55	3.45
Other expenses	30	25.85	42.30
Total expenses		45.70	69.01
Profit/(Loss) before share of net profits of investments accounted for using equity method and tax		52.12	12.12
Share of net profit/(loss) of associates accounted for using equity method		7.30	(464.34)
Profit/(Loss) before tax from continuing operations		59.42	(452.22)
INCOME TAX EXPENSE:	31		
- Current tax		45.72	24.90
- Deferred tax charge / (credit)		17.50	(6.57)
- Tax adjustment for prior years		(2.72)	7.01
Total tax expense		60.50	25.34
Profit/(Loss) from continuing operations		(1.08)	(477.56)
DISCONTINUED OPERATIONS			
Profit/(loss) from discontinued operations		127.33	185.85
Income tax expense of discontinued operations		61.94	45.03
Net profit/(loss) from discontinued operation		65.39	140.82
Profit/(loss) for the year		64.31	(336.74)
OTHER COMPREHENSIVE INCOME ('OCI')			
Items that will not be reclassified to profit or loss			
- Remeasurements of post-employment benefit obligations		(0.10)	(0.03)
- OCI arising from discontinued operation		0.87	1.05
- Share of OCI of associates and joint ventures accounted for using equity method		18.50	(25.56)
- Income tax relating to these items		0.03	0.04
Items that will be reclassified to profit or loss			
- Share of OCI of associates and joint ventures accounted for using equity method		108.53	248.92
- OCI arising from discontinued operation		-	(0.25)
- Income tax relating to these items		-	-
Other comprehensive income (net of tax)		127.83	224.17
Total comprehensive income / (loss)		192.14	(112.57)

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2022

(₹ in crore)

	Notes	Year ended March 31, 2022	Year ended March 31, 2021
Net Profit/(Loss) is attributable to:			
- Owners		64.03	(336.02)
- Non-controlling interests		0.28	(0.72)
Other comprehensive income is attributable to:			
- Owners		127.83	224.17
- Non-controlling interests		-	-
Total comprehensive income is attributable to:			
- Owners		191.86	(111.85)
- Non-controlling interests		0.28	(0.72)
Total comprehensive income attributable to owners:			
- Continuing operations		125.88	(254.19)
- Discontinued operations		66.26	141.62
Earnings per equity share (for continuing operations):	35		
- Basic (₹)		(0.01)	(2.99)
- Diluted (₹)		(0.01)	(2.99)
Earnings per equity share (for discontinued operations):			
- Basic (₹)		0.41	0.88
- Diluted (₹)		0.41	0.88
Earnings per equity share (for continuing and discontinued operations):			
- Basic (₹)		0.40	(2.11)
- Diluted (₹)		0.40	(2.11)

See accompanying notes to the consolidated financial statements.

This is the consolidated statement of profit and loss referred to in our report of even date.

For Khimji Kunverji & Co LLP
Chartered Accountants
Firm Registration No. 105146W/ W100621

Gautam V Shah
Partner
Membership Number: 117348

Mumbai, May 20, 2022

For and on behalf of the Board of Directors of
IDFC Limited
CIN: L65191TN1997PLC037415

Anil Singhvi
Independent Non-Executive Chairman
(DIN: 00239589)

Sunil Kakar
Managing Director & CEO
(DIN: 03055561)

Mahendra N. Shah
Company Secretary
(ACS: 4222)

Bipin Gemani
Chief Financial Officer
(PAN: AACPG6412A)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2022

A. Equity share capital

(₹ in crore)

	Number	Amount
As at March 31, 2020	1,596,354,566	1,596.36
Issued during the year	-	-
As at March 31, 2021	1,596,354,566	1,596.36
Issued during the year	77,626	0.08
As at March 31, 2022	1,596,432,192	1,596.44

B. Other equity

(₹ in crore)

	Reserves and surplus						Other comprehensive income		
	Securities premium	Special reserve u/s. 36(1) (viii) of the Income-tax Act, 1961	Special reserve u/s. 45-IC of the RBI Act, 1934	General reserve	Surplus in the statement of profit and loss	Share options outstanding account	Foreign currency translation reserve	Equity instru-ments through OCI	Total other equity
As at March 31, 2020	2,523.47	3,053.25	1,157.34	314.55	(365.42)	19.09	18.08	3.97	6,724.33
Loss for the year	-	-	-	-	(336.02)	-	-	-	(336.02)
Other comprehensive income / (loss)	-	-	-	-	224.17	-	-	-	224.17
Total comprehensive income for the year	-	-	-	-	(111.85)	-	-	-	(111.85)
Transactions with owners in their capacity as owners:									
- Share based payments:									
i) Employee stock option expense for the year	-	-	-	-	-	-	-	-	-
ii) Options exercised during the year	-	-	-	-	-	-	-	-	-
iii) Options lapsed during the year	-	-	-	-	-	(3.34)	-	-	(3.34)
iv) Options cancelled during the year	-	-	-	-	-	-	-	-	-
- Others	-	-	-	-	(3.76)	-	-	-	(3.76)
- Share of reserves of associates accounted using equity method of accounting net of deferred tax	-	-	-	-	13.14	-	-	-	13.14
- Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	-	-
- Transfers to/ from:									
i) Special reserve u/s. 45-IC of the RBI Act, 1934	-	-	11.81	-	(11.81)	-	-	-	-
ii) Special reserve u/s. 36(1)(viii) of the Income-tax Act, 1961 [refer note 22C (f)]	-	(411.02)	-	-	411.02	-	-	-	-
iii) Foreign currency translation reserve [refer note 22C (g)]	-	-	-	-	18.05	-	(18.05)	-	-
As at March 31, 2021	2,523.47	2,642.23	1,169.15	314.55	(50.63)	15.75	0.03	3.97	6,618.52

(₹ in crore)

	Securities premium	Special reserve u/s. 36(1) (viii) of the Income-tax Act, 1961	Special reserve u/s. 45-IC of the RBI Act, 1934	General reserve	Surplus in the statement of profit and loss	Share options outstanding account	Foreign currency translation reserve	Equity instru-ments through OCI	Total other equity
As at March 31, 2021	2,523.47	2,642.23	1,169.15	314.55	(50.63)	15.75	0.03	3.97	6,618.52
Profit for the year from continuing operations	-	-	-	-	64.03	-	-	-	64.03
Other comprehensive income / (loss)	-	-	-	-	127.83	-	-	-	127.83
Total comprehensive income for the year	-	-	-	-	191.86	-	-	-	191.86
Transactions with owners in their capacity as owners:									
- Share based payments:									
i) Employee stock option expense for the year	-	-	-	-	-	2.01	-	-	2.01
ii) Options exercised during the year	0.31	-	-	-	-	-	-	-	0.31
iii) Options lapsed during the year	-	-	-	-	-	-	-	-	-
iv) Options cancelled during the year	-	-	-	10.45	-	(11.04)	-	-	(0.59)
- Others	-	-	-	-	(36.39)	-	-	-	(36.39)
- Share of reserves of associates accounted using equity method of accounting net of deferred tax	-	-	-	-	554.46	-	-	-	554.46
- Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	-	-
- Transfers to/ from:									
i) Special reserve u/s. 45-IC of the RBI Act, 1934	-	-	70.83	-	(70.83)	-	-	-	-
ii) Foreign currency translation reserve [refer note 22C (g)]	-	-	-	-	-	-	0.02	-	0.02
iii) Equity instruments through OCI	-	-	-	-	3.97	-	-	(3.97)	-
As at March 31, 2022	2,523.78	2,642.23	1,239.98	325.00	592.44	6.72	0.05	-	7,330.20

Total equity (primarily surplus in statement of profit and loss) includes ₹ (1.29) crores (March 31, 2021: ₹ 32.98 crores) pertaining to IDFC Foundation held for specified purposes.

See accompanying notes to the consolidated financial statements.

This is the consolidated statement of changes in equity referred to in our report of even date.

For Khimji Kunverji & Co LLP
Chartered Accountants
Firm Registration No. 105146W/ W100621

Gautam V Shah
Partner
Membership Number: 117348

Mumbai, May 20, 2022

For and on behalf of the Board of Directors of
IDFC Limited
CIN: L65191TN1997PLC037415

Anil Singhvi
Independent Non-Executive Chairman
(DIN: 00239589)

Sunil Kakar
Managing Director & CEO
(DIN: 03055561)

Mahendra N. Shah
Company Secretary
(ACS: 4222)

Bipin Gemani
Chief Financial Officer
(PAN: AACPG6412A)

CONSOLIDATED STATEMENT OF CASH FLOW

FOR THE YEAR ENDED MARCH 31, 2022

(₹ in crore)

	Notes	Year ended March 31, 2022	Year ended March 31, 2021
CASH FLOW FROM OPERATING ACTIVITIES :			
Profit/(Loss) before tax from:			
- Continuing operations		59.42	(452.22)
- Discontinued operations		127.33	185.85
- Other Comprehensive Income		127.83	224.17
Profit / (loss) before tax including discontinued operations		314.58	(42.20)
Adjustments :			
Depreciation, amortisation and impairment	29	3.55	3.45
Net loss on sale of property, plant and equipments	25 & 30	1.84	16.51
Impairment of financial instruments	27	(0.75)	(4.31)
Employee share based payment expense	28	1.54	(0.28)
Net loss on sale of investments including fair valuation	24	(87.64)	(25.49)
Loss on winding up of subsidiary		-	2.56
Interest expense	26	0.48	10.43
Interest income	23	(0.41)	(8.21)
Operating profit / (loss) before working capital changes		233.19	(47.54)
Adjustments for (increase)/ decrease in operating assets:			
Trade receivables	5	10.75	5.69
Other financial assets	7 & 13	12.21	13.86
Other non financial assets	12	23.37	10.95
Adjustments for increase/ (decrease) in operating liabilities			
Trade payables	14	(11.25)	2.01
Other financial liabilities	16	(32.76)	(32.35)
Other non financial liabilities	18 & 20	(77.04)	(8.82)
Cash (used in) / generated from operations		(74.72)	(8.66)
Less : Income taxes paid (net of refunds)		(109.65)	(46.03)
Net cash inflow / (outflow) from operating activities		48.82	(102.23)
CASH FLOW FROM INVESTING ACTIVITIES :			
Proceeds from sale of disposal group classified as held for sale	33	(161.61)	74.04
Decrease / (Increase) in investments *	6	288.92	(679.22)
Decrease / (Increase) in property, plant and equipments	10 & 11	15.05	52.95
Right of use Assets	15	34.27	11.37
Interest received		0.25	9.17
Bank fixed deposits places / matured	4	21.83	22.72
Net cash inflow / (outflow) from investing activities		198.71	(508.97)
CASH FLOW FROM FINANCING ACTIVITIES :			
Issue of fresh equity shares		0.39	-
Interest paid	26	(0.48)	(10.44)
Decrease in minority interest		(3.08)	(14.15)
Net cash inflow / (outflow) from financing activities		(3.17)	(24.59)
NET INCREASE / (DECREASE) IN CASH AND BANK BALANCES		244.36	(635.79)
Add : Cash and cash equivalents at beginning of the year	3	42.11	677.90
Cash and cash equivalents at end of the year	3	286.47	42.11

*Proceeds from disposal / redemption of investments include ₹ 8.87 crores (March 31, 2021: ₹ 4.28 crore) held by IDFC Foundation, formed for conducting corporate social responsibility activities of the Group.

The accompanying notes are integral part of these financial statements.

This is the statement of cash flow referred to in our report of even date.

For Khimji Kunverji & Co LLP
Chartered Accountants
Firm Registration No. 105146W/ W100621

Gautam V Shah
Partner
Membership Number: 117348

Mumbai, May 20, 2022

For and on behalf of the Board of Directors of
IDFC Limited
CIN: L65191TN1997PLC037415

Anil Singhvi
Independent Non-Executive Chairman
(DIN: 00239589)

Sunil Kakar
Managing Director & CEO
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Mahendra N. Shah
Company Secretary
(ACS: 4222)

Bipin Gemani
Chief Financial Officer
(PAN: AACPG6412A)

BACKGROUND

IDFC Limited ('the Company') is a public limited company incorporated in India under the provisions of Companies Act, applicable in India and is a Non-Banking Finance Company (NBFC) regulated by the Reserve Bank of India ('RBI' The registered office of the Company is located 4th Floor, Capitale Tower, 555 Anna Salai, Thiru Vi Ka Kudiyiruppu, Teynampet Chennai – 600 018 , Tamil Nadu and corporate office located at 906/907, 9th Floor, Embassy Centre, Jamnalal Bajaj Road, Nariman Point, Mumbai – 400 021.

The Company had received in principle approval from the RBI to set up a new private sector bank in April 2014. Since October 1, 2015 the Company is operating as NBFC – Investment (NBFC – I).

These financial statements are for the group consisting the Company, its subsidiaries and associates. The Group has interests in Banking and Asset Management business. In accordance with RBI guideline on licensing of new bank in private sector, the Group has implemented Holding Company structure through its 100% subsidiary, IDFC Financial Holding Company Limited ('IDFC FHCL'). Under the guidelines, all regulated financial services entities should be held through a Non-Operating Financial Holding Company. Non-financial services entities i.e. IDFC Projects Limited, IDFC Alternatives Limited, IDFC Trustee Company Limited and IDFC Foundation are direct subsidiaries of the Company.

All investment in regulated financial subsidiaries i.e. IDFC Asset Management Company Limited and IDFC AMC Trustee Company Limited are held through its wholly owned subsidiary, IDFC FHCL. Investments in associates comprise of IDFC First Bank Limited which is also held through IDFC FHCL.

The shares of the Company and its associate IDFC First Bank Limited are listed on National Stock Exchange of India (NSE) Limited and Bombay Stock Exchange (BSE) Limited.

These consolidated financial statements were authorised for issue by the Board of Directors on May 20, 2022.

The Company along with its three wholly owned subsidiaries viz. IDFC Projects Limited, IDFC Trustee Company Limited and IDFC Alternatives Limited has filed scheme of amalgamation with Official Liquidator ('OL') – Chennai on December 06, 2021 and to Regional Director ('RD') /Registrar of Companies ('ROC') – Chennai through GNL-1 form on December 06, 2021 seeking their objections / suggestions to the said scheme under Section 233 (1) (a) of the Companies Act, 2013 and rules made thereunder. Physical copies of the same have also been filed with the ROC on December 08, 2021. Appointed date for the merger in the scheme is April 1, 2021

The ROC, Chennai vide its letter dated February 01, 2022 intimated it's no observations/suggestions to the aforesaid scheme of amalgamation. Also, the OL of Madras High Court vide its letter dated March 24, 2022, communicated it's no observations to the aforesaid scheme of amalgamation. Approval from RD is still awaited.

1. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) Basis of preparation

(i) Compliance with Ind AS

The consolidated financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amounts:

- certain financial assets and liabilities (including derivative instruments) are measured at fair value;
- assets held for sale – measured at fair value less cost to sell;
- defined benefit plans – plan assets measured at fair value; and
- share-based payments.

(iii) Order of liquidity

The Group is covered in the definition of Non-Banking Financial Company as defined in Companies (Indian Accounting Standards) (Amendment) Rules, 2016. Pursuant to Ind AS 1 and amendment to Division III of Schedule III to the Companies Act, 2013 on October 11, 2018, the Group presents its balance sheet in the order of liquidity. This is since the Group does not supply goods or services within a clearly identifiable operating cycle, therefore making such presentation more relevant. A maturity analysis of recovery or settlement of assets and liabilities within 12 months after the reporting date and more than 12 months after the reporting date is presented in Note 42.

b) Principles of consolidation and equity accounting

(i) Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and can affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group uses the acquisition method of accounting to account for business combinations.

The Group combines the financial statements of the Company and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions within Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

Refer Note 2 for significant judgements and assumptions made in determining that the Group does not have control over certain entities it even though it holds more than half of their voting rights.

(ii) Associates

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

Refer Note 2 for significant judgements and assumptions made in determining that the Group has significant influence over certain entities it even though it holds less than 20% of their voting.

(iii) Joint ventures

Under Ind AS 111 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated balance sheet.

(iv) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit and loss, and the Group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity accounted investments are tested for impairment in accordance with the policy described in note e (ii) below.

(v) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

c) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The board of directors of IDFC Limited assesses the financial performance and position of the Group and makes strategic decisions. The board of directors, which has been identified as being the chief operating decision maker, consists of the directors of the Group (both executive and independent). Refer note 34 for segment information presented.

d) Foreign currency translation

(i) Functional and presentation currency

Items included in the 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 Indian Rupee (INR), which is IDFC Limited's functional and presentation currency.

(ii) Transactions and balances

Transactions in foreign currencies are initially recorded in the functional currency at the spot rate of ex-change ruling at the date of the transaction. However, for practical reasons, the Group uses an average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated into the functional currency at the spot rate of exchange at the reporting date. All differences arising on non–trading activities are taken to other income/ expense in the statement of profit and loss.

Non–monetary items that are measured at historical cost in a foreign currency are translated using the spot exchange rates as at the date of recognition.

(iii) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) 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 at the date of that balance sheet
- income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- All resulting exchange differences are recognised in other comprehensive income.

  Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

e) Financial instruments

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments. Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset.

At initial recognition, the Group measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit or loss.

Financial assets

(i) Classification and subsequent measurement of financial assets:

The Group classifies its financial assets in the following measurement categories:

- Fair value through profit and loss (FVTPL)
- Fair value through other comprehensive income (FVTOCI)
- Amortised cost

The classification requirements for debt and equity instruments are described below:

Debt Instruments

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective such as loans, mutual fund units, venture capital fund and corporate bonds.

For investments in debt instruments, measurement will depend on the classification of debt instruments depending on:

(i) the Group's business model for managing the asset; and

(ii) the cash flow characteristics of the asset.

Business model assessment

The business model reflects how the Group manages the assets to generate cash flows. The business model determines whether the Group's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable or when performance of portfolio of financial assets managed is evaluated on a fair value basis, then the financial assets are classified as part of 'other' business model and measured at FVTPL. A portfolio of financial assets that is managed and whose performance is evaluated on a fair value basis is neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

The Group determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective**.** The Group's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- experience on how the cash flows for these assets were collected,
- how the asset's performance and the business model is evaluated and reported to key management personnel,
- the risks that affect the performance of the business model and how these risks are assessed and managed,
- how managers are compensated.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Group's original expectations, the Group does not change the classification of the remaining financial assets held in that business model but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

Solely Payment of Principle and Interest ("SPPI") Assessment

Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Group assesses whether the financial instruments cash flows represent solely payments of principal and interest (the 'SPPI test'). In making this assessment, the Group considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk associated with the principal amount outstanding, other basic lending risks (for e.g. liquidity risk) and a profit margin that is consistent with a basic lending arrangement. When assessing a financial asset with a modified time value of money element, the Group consider both qualitative and quantitative characteristics to determine whether the modified time value of money element provides consideration for just the passage of time.

Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

The Group reclassifies debt investments when and only when its business model for managing those assets changes. Such changes are expected to be very infrequent and none occurred during the period.

Based on these factors, the Group classifies its debt instruments into one of the following three measurement categories

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost e.g. debentures, bonds etc. A gain or loss on a debt investment that is subsequently measured at amortised cost is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in investment income using the effective interest rate method.

Fair value through other comprehensive income: Debt instruments that meet the following conditions are subsequently 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.

Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses on the instrument's amortised cost that are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in 'Net Investment income'. Interest income from these financial assets is included in 'Interest income' using the effective interest rate method, considering any discount/ premium and qualifying transaction costs being an integral part of instrument.

Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or fair value through OCI, are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented in the statement of profit and loss within other gains/(losses) in the period in which it arises.

Equity Instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

The Group measures all equity investments at fair value through profit or loss, except where the Group's management has elected, at initial recognition, to irrevocably designate an equity investment at fair value through other comprehensive income. When this election is used, fair value gains and losses are recognised in OCI and are not subsequently reclassified to profit or loss, including on disposal. Impairment losses (and reversal of impairment losses) are not reported separately from other changes in fair value. Dividends, when representing a return on such investments, continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

The Group has designated at FVOCI investments in a small portfolio of equity securities. The Group chose this presentation alternative because the investments were made for strategic purposes rather than with a view to profit on a subsequent sale, and there are no plans to dispose of these investments in the short or medium term.

Gains and losses on equity investments at FVTPL are included in the statement of profit or loss.

(ii) Impairment

The Group assesses on a forward-looking basis the expected credit loss ('ECL') associated with its financial instrument. The Group recognises a loss allowance for such losses at each repotting date. The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money, and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Note 44 provides more detail of how the expected credit loss allowance is measured

Interest Income

The Group calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets.

The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset (i.e. its amortised cost before any impairment allowance). The calculation does not consider expected credit losses and includes transaction costs, premiums or discounts paid or received that are integral to the effective interest rate, such as origination fees, commitment fees, etc.

When the Group revises the estimates of future cash flows, the carrying amount of the respective financial asset is adjusted to reflect the new estimate discounted using the original effective interest rate. Any changes are recognised in profit or loss.

When a financial asset becomes credit-impaired and is, therefore, regarded as 'Stage 3', the Group calculates interest income by applying the effective interest rate to the net amortised cost of the financial asset. If the financial assets cures and is no longer credit-impaired, the Group reverts to calculating interest income on a gross basis.

(iii) Modification of loans

The Group sometimes renegotiates or otherwise modifies the contractual cash flows of loans to customers. When this happens, the Group assesses whether the new terms are substantially different to the original terms. The Group does this by considering, among others, the following factors:

- if the borrower is in financial difficulty, whether the modification merely reduces the contractual cash flows to amounts the borrower is expected to be able to pay.
- whether any substantial new terms are introduced, such as a profit share/equity-based return that substantially affects the risk profile of the loan.
- significant extension of the loan term when the borrower is not in financial difficulty.
- significant change in the interest rate.
- change in the currency the loan is denominated in.
- insertion of collateral, other security or credit enhancements that significantly affect the credit risk associated with the loan.

If the terms are substantially different, the Group derecognises the original financial asset, recognises a 'new' asset at fair value, and recalculates a new effective interest rate for the asset. The date of renegotiation is consequently considered to be the date of initial recognition for impairment calculation purposes, including for determining whether a significant increase in credit risk has occurred. However, the Group also assesses whether the new financial asset recognised is deemed to be credit-impaired at initial recognition, especially in circumstances where the renegotiation was driven by the debtor being unable to make the originally agreed payments. Differences in the carrying amount are also recognised in profit or loss as a gain or loss on derecognition.

If the terms are not substantially different, the renegotiation or modification does not result in derecognition, and the Group recalculates the gross carrying amount based on the revised cash flows of the financial asset and recognises a modification gain or loss in profit or loss. The new gross carrying amount is recalculated by discounting the modified cash flows at the original effective interest rate.

(iv) **De-recognition of financial assets**

Financial assets, or a portion thereof, are derecognised when the contractual rights to receive the cash flows from the assets have expired, or when they have been transferred and either

(i) the Group transfers substantially all the risks and rewards of ownership, or

(ii) the Group neither transfers nor retains substantially all the risks and rewards of ownership and the Group has not retained control.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

Financial liabilities and equity instruments

(i) **Classification as debt or equity:**

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

(ii) **Classification and subsequent measurement**

Financial liabilities (including borrowings and debt securities) are subsequently measured at amortised cost using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the gross carrying amount of a financial liability. The calculation does not consider expected credit losses and includes transaction costs, premiums or discounts and fees and points paid or received that are integral to the effective interest rate, such as origination fees.

(iii) **De-recognition of financial liabilities**

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. A substantial modification of the terms of an existing financial liability (whether attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss. The terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability. In addition, other qualitative factors, such as changes in the type of interest rate, new conversion features attached to the instrument and change in covenants are also taken into consideration.

If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred are adjusted to the carrying amount of the liability and are amortised over the remaining term of the modified liability.

f) Derivative financial instruments

The Group holds derivative financial instruments to meet the investment objective of the fund or the product. Derivatives are initially recognised at fair value at the date the derivative contracts are entered and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately.

g) Offsetting financial instruments

Financial assets and liabilities are offset, and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the group or the counterparty.

h) Revenue recognition

Revenue is measured at fair value of the consideration received or receivable. Ind AS 115, Revenue from contracts with customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers. The standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer. A five-step process must be applied before revenue can be recognised:

- identify contracts with customers
- identify the separate performance obligation
- determine the transaction price of the contract
- allocate the transaction price to each of the separate performance obligations, and
- recognise the revenue as each performance obligation is satisfied.

(i) Brokerage fees income

a) Brokerage fees – over time

Fees earned for the provision of services are recognised over time as the customer simultaneously receives and consumes the benefits, as the services are rendered. These include brokerage fees which is fixed at inception irrespective of number of transactions executed. The revenue for such contracts is recognised over the term of the contract.

b) Brokerage fees – point in time

Revenue from contract with customer is recognised point in time when performance obligation is satisfied (when the trade is executed). These include brokerage fees which is charged per transaction executed.

(ii) Interest Income

Interest income is recognised using effective interest rate method.

(iii) Dividend income

Dividend income (including from FVOCI investments) is recognised when the Group's right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of the dividend can be measured reliably. This is generally when the shareholders approve the dividend.

(iv) Fees, commission and other income

Fees and commission income and expense that are integral to the effective interest rate on a financial asset or financial liability are included in the effective interest rate. Fees and commission that are not integral to effective interest rate are recognised on accrual basis over the life of instrument.

Fees integral to the effective interest rate include origination fees, commissions received or paid by the Group relating to the creation or acquisition of a financial asset or issuance of a financial liability. Loan origination fees is deferred as a part of interest income under the effective interest rate method.

All other fees, commissions and other income and expense items are generally recognised on an accrual basis by reference to completion of the specific transaction assessed based on the actual service provided as a proportion of the total services to be provided, except guarantee commission which is recognised pro-rata over the period of the guarantee.

Asset management and other service fees principally includes asset-based asset management fees, which are recognized in the period in which the services are performed. In certain asset management fee arrangements, the Group is entitled to receive performance-based incentive fees when the return on assets under management exceeds certain benchmark returns or other performance targets. The Group may be required to return all, or part, of such performance-based incentive fee depending on future performance of these assets relative to performance benchmarks. The Group records performance-based incentive fee revenue when the contractual terms of the asset management fee arrangement have been satisfied such that the performance fee is no longer subject to claw back or contingency. Under this principle the Group records a deferred performance-based incentive fee liability to the extent it receives cash related to the performance-based incentive fee prior to meeting the revenue recognition criteria delineated above.

Revenue from power supply is accounted on accrual basis unless there is any uncertainty relating to its recovery.

i) Income Tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

(i) Current tax

The current income tax charge is calculated based on the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate based on amounts expected to be paid to the tax authorities.

(ii) Deferred tax

Deferred tax is recognised 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.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

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 enough taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the way the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

j) Goods and service tax

Expenses and assets are recognised net of the goods and services tax paid, except:

(i) when the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable

(ii) when receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

k) Leases

The determination of whether an arrangement is a lease, or contains a lease, is based on the substance of the arrangement and requires an assessment of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets or whether the arrangement conveys a right to use the asset.

For arrangements entered into prior to April 1, 2017, the Group has determined whether the arrangement contains lease on the basis of facts and circumstances existing on the date of transition.

Group as a lessee

From April 1, 2019, leases are recognised as a right-of-use asset and corresponding liability at the date at which the leased asset is available for use by the Group. Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Group has is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Asset and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the fixed payments (including in-substance fixed payments), less any lease incentives receivable.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If the rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group uses a indicative AAA equivalent borrowing rate.

Lease payment are allocated between principal and finance cost. The finance cost is charged to profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payment associated with short-term leases of equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

l) Non-current assets (or disposal groups) held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not more than any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortized while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single coordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit and loss.

m) Cash and cash equivalents

For presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

n) Property, plant and equipment

All items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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 and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

(i) Depreciation methods estimated useful lives and residual value

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives prescribed in Schedule II to the Companies Act, 2013 except in respect of following categories of assets, in which case life of asset has been assessed based on the technical advice.

a) Mobile Phone – 2 years b) Motor Cars – 4 years

Depreciation on additions during the year is provided on a pro-rata basis. Assets costing less than ₹ 5,000 each are fully depreciated in the year of capitalisation.

The useful lives have been determined based on technical evaluation done by the management's expert which are higher than those specified by Schedule II to the Companies Act; 2013, to reflect the actual usage of the assets. The residual values are not more than 5% of the original cost of the asset.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount.

o) Intangible assets

(i) Goodwill

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised, but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, which in our case are the operating segments.

(ii) Computer Software

Intangible assets comprising of computer software are stated at cost of acquisition, including any cost attributable for bringing the asset to its working condition, less accumulated amortisation. Any technology support cost or annual maintenance cost for such software is recognised as an expense when incurred. The Group amortises intangible assets using straight-line method over a period of three years.

p) Impairment of non-financial asset

i) As per IND AS 36 investments are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. In assessing whether there is any impairment management considers indications through external and internal sources of information. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

ii) Goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

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

q) Retirement and other employee benefits

(i) Defined contribution plan

The contribution to provident fund, superannuation fund and pension fund are considered as defined contribution plans and are charged to the Statement of Profit and Loss as they fall due, based on the amount of contribution required to be made as and when services are rendered. The group has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due.

(ii) Defined benefit plan

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

(iii) Compensated absences

Based on the leave rules of the Group companies, employees are not permitted to accumulate leave. Any unveiled privilege leave to the extent encashable is paid to the employees and charged to the Statement of Profit and Loss for the year. Short term compensated absences are provided based on estimates of availment / encashment of leaves.

r) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) because of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. When the effect of the time value of money is material, the Group determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

s) Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

t) Share-based payments

The Holding Company and two of its subsidiaries has formulated Employee Stock Option Schemes (‘the ESOS’) in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 / 2014 (‘the Guidelines’). The ESOS provides for grant of stock options to employees (including employees of subsidiary companies) to acquire equity shares of the Holding Company / Subsidiary Company that vest in a graded manner and that are to be exercised within a specified period.

Fair value is determined by using option valuation models, which consider the exercise price of the option, the current share price, the risk-free interest rate, the expected volatility of the share price over the life of the option and other relevant factors. When the options are exercised, the exercise price proceeds together with the amount initially recorded in equity are credited to common shares.

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. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in Statement of Profit and Loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

For cash-settled share-based payments, the fair value of the amount payable to employees is recognised as 'employee benefit expenses' with a corresponding increase in liabilities, over the period of non-market vesting conditions getting fulfilled. The liability is remeasured at each reporting period up to, and including the settlement date, with changes in fair value recognised in employee benefits expenses. Refer Note 45 for details.

u) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the group
- by the weighted average number of equity shares outstanding during the financial year, adjusted for

  bonus elements in equity shares issued during the year and excluding treasury shares.

(ii) Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to consider:

- the after-income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

v) Contributed Equity

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceed.

w) Dividends

Provision is made for any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

x) Rounding off

All amounts disclosed in the financial statements and notes have been rounded off to the nearest "crores" as per the requirement of Schedule III, unless otherwise stated.

y) New and amended standards adopted

There are no new standards and amendments applicable to the Company for the annual reporting period commencing on April 1, 2021.

2. SIGNIFICANT ACCOUNTING JUDGMENTS ESTIMATES AND ASSUMPTIONS

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the accompanying disclosures, as well as 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.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

a) Fair value of financial instruments

The fair value of financial instruments 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 (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. Judgements and estimates include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty), funding value adjustments, correlation and volatility. For further details about determination of fair value please see Note 44.

b) Consolidation decision

For details regarding consolidation of;

i) Entity where shareholding is more than 50%, as an associate, and

ii) Section 8 company, as a subsidiary, Refer note 46.

3. CASH AND CASH EQUIVALENTS

(₹ in crore)

	As at March 31, 2022	As at March 31, 2021
Cash on hand	ß	4.26
Balances with banks:		
- In current accounts	61.48	36.55
- In saving accounts *	1.29	1.30
- In deposit accounts	223.70	-
Total	286.47	42.11

* Balances pertaining to IDFC Foundation held for specified purposes.

i) The Group has not taken bank overdraft, therefore the cash and cash equivalents for the cash flow statement is same as cash and cash equivalents given above.

4. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in crore)

	As at March 31, 2022	As at March 31, 2021
Balances with banks:		
- In earmarked accounts		
Investor education awareness on behalf of IDFC mutual fund	-	2.50
Unclaimed dividend	1.45	1.85
- In deposit accounts*	0.10	19.03
Total	1.55	23.38

*Includes ₹ 0.10 crores (March 31, 2021: ₹ 3.47 crores) pertaining to IDFC Foundation held for specified purposes.

5A. TRADE RECEIVABLES

(₹ in crore)

	As at March 31, 2022	As at March 31, 2021
Receivables considered good - Secured	-	-
Receivables considered good - Unsecured	-	12.71
Receivables - Credit impaired	-	5.90
(less): Allowance for impairment loss	-	(5.90)
Total	-	12.71

Aging of trade receivables: as at March 31, 2021

Particulars	Unbilled	Not due	Outstanding for following periods from the due date					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables considered good	-	-	12.71	-	-	-	-	12.71
Disputed trade receivables	-	-	-	-	-	-	-	-

5B. OTHER RECEIVABLES

(₹ in crore)

	As at March 31, 2022	As at March 31, 2021
Receivables considered good - Unsecured	2.01	0.05
Receivables - Credit impaired	-	-
(less): Allowance for impairment loss	-	-
Total	2.01	0.05

i) No trade receivables and other receivables are due from director or other officer of the Group either severally or jointly with any other person.

ii) No trade receivables and other receivables are due from firms or private companies (including LLPs) in which any director of the Group is a partner, a director or a member.

6. INVESTMENTS

(₹ in crore)

	At fair value through				
	Other comprehensive income	Profit or loss	Subtotal	Others*	Total
As at March 31, 2022					
Venture Capital Fund (VCFs)@	-	301.26	301.26	-	301.26
Associates	-	-	-	7,401.21	7,401.21
Joint Ventures	-	-	-	105.60	105.60
Total (A) - Gross	-	301.26	301.26	7,506.81	7,808.07
(Less): Impairment loss allowance (See note a below)	-	-	-	(105.60)	(105.60)
Total (A) - Net	-	301.26	301.26	7,401.21	7,702.47
Investments outside India	-	-	-	-	-
Investments in India	-	301.26	301.26	7,506.81	7,808.07
Total (B) - Gross	-	301.26	301.26	7,506.81	7,808.07
(Less): Impairment loss allowance	-	-	-	(105.60)	(105.60)
Total (B) - Net	-	301.26	301.26	7,401.21	7,702.47

a) IDFC Foundation a wholly owned subsidiary, holds investments in two joint venture entities namely Delhi Integrated Multi Modal Transit Systems Limited and Infrastructure Development Corporation (Karnataka) Limited ("JV entities"). Board of Directors of the Holding Company has approved the divestment of these JV entities and have taken necessary steps for the same accordingly, these entities are being classified as assets held for sale. As per IndAS 105 Non-Current Assets Held for Sale needs to be valued at lower of the carrying cost and net realisable value. IDFC Foundation, being a Section 8 company, it prohibits payment of dividend and repatriation of capital back to shareholder, accordingly, the net realisable value of said asset held for sale for the Holding Company is considered as Nil and the figure for the year ended March 31, 2022 are net of write down of ₹ 105.60 crore which was the carrying value of these JV entities.

(₹ in crore)

	At fair value through				
	Other comprehensive income	Profit or loss	Subtotal	Others*	Total
As at March 31, 2021					
Mutual fund units #	-	348.30	348.30	-	348.30
Venture Capital Fund (VCFs)@	-	197.85	197.85	-	197.85
Equity instruments	0.05	21.56	21.61	-	21.61
Associates	-	-	-	6,714.85	6,714.85
Joint Ventures	-	-	-	105.60	105.60
Trustee Units	-	0.01	0.01	-	0.01
Total (A) - Gross	0.05	567.72	567.77	6,820.45	7,388.22
(Less): Impairment loss allowance (see note ii)	-	-	-	(2.43)	(2.43)
Total (A) - Net	0.05	567.72	567.77	6,818.02	7,385.79
Investments outside India	-	-	-	-	-
Investments in India	0.05	567.72	567.77	6,820.45	7,388.22
Total (B) - Gross	0.05	567.72	567.77	6,820.45	7,388.22
(Less): Impairment loss allowance	-	-	-	(2.43)	(2.43)
Total (B) - Net	0.05	567.72	567.77	6,818.02	7,385.79

* Investment in associates and joint ventures measured using equity method of accounting as per Ind AS 28 are classified as others.

\# Includes ₹ Nil (March 31, 2021: ₹ 8.63 crores) pertaining to IDFC Foundation held for specified purposes.

@ The above investments in venture capital units are subject to restrictive covenants.

i) The investment in certain equity shares are strategic investments and not held for trading purpose. Therefore, the Group has made an irrevocable election at initial recognition to recognise changes in fair value through OCI rather than profit or loss and the Group considered this to be more relevant.

ii) Performance of Novopay Solutions Private Limited (Associate of the Group) has lead to substantial erosion of its net worth. Accordingly investment has been completely impaired.

iii) More information regarding the valuation methodologies are disclosed in Note 43.

7. OTHER FINANCIAL ASSETS

(₹ in crore)

	As at March 31, 2022	As at March 31, 2021
Interest accrued on deposits / other advances	0.41	0.25
Security deposits	0.29	12.16
Other receivables	0.05	1.25
Other deposits	0.63	0.32
Total (A) - Gross	1.38	13.98
(Less): Impairment loss allowance	(0.23)	(2.08)
Total (B) - Net	1.15	11.90

8. INCOME TAX ASSETS

(₹ in crore)

	As at March 31, 2022	As at March 31, 2021
Advance payment of fringe benefit tax (net of provision)	-	0.01
Advance payment of Income tax (net of provision)	18.98	26.28
Total	18.98	26.29

9. DEFERRED TAX ASSETS

The balance comprises temporary differences attributable to:

(₹ in crore)

	As at March 31, 2022	As at March 31, 2021
Lease Liability	-	7.87
Security Deposit	-	0.70
Property, plant and equipments	-	1.77
Total	-	10.34

10. PROPERTY, PLANT AND EQUIPMENT

(₹ in crore)

	Buildings	Leasehold improve-ments	Furniture and fixtures	Vehicles	Office Equipments	Computers	Windmills	Total
Year ended March 31, 2021								
Opening gross carrying amount	42.79	7.81	1.77	2.22	2.67	12.99	59.96	130.21
Additions	-	4.95	0.25	0.75	0.66	2.28	-	8.89
Disposals	(42.79)	(3.68)	(0.04)	(0.03)	(0.01)	(0.01)	(59.96)	(106.52)
Closing gross carrying amount	-	9.08	1.98	2.94	3.32	15.26	-	32.58
Accumulated depreciation								
Opening accumulated depreciation	7.08	5.27	0.70	1.14	1.74	6.32	21.96	44.21
Depreciation charge during the year	-	0.03	0.01	0.06	0.02	0.07	1.43	1.62
Depreciation charge included in discontinued operations	-	1.22	0.11	0.46	0.49	2.44	-	4.72
Disposals	(7.08)	(3.48)	(0.02)	(0.03)	(0.01)	(0.01)	(23.39)	(34.02)
Closing accumulated depreciation	-	3.04	0.80	1.63	2.24	8.82	-	16.53
Net carrying amount as at March 31, 2021	-	6.04	1.18	1.31	1.08	6.44	-	16.05
Year ended March 31, 2022								
Gross carrying amount								
Opening gross carrying amount	-	9.08	1.98	2.94	3.32	15.26	-	32.58
Additions	-	0.32	0.05	-	ß	0.07	-	0.44
Assets included in disposal group classified as held for sale	-	(5.99)	(1.94)	(2.66)	(3.17)	(13.33)	-	(27.09)
Disposals	-	(3.41)	(0.09)	ß	(0.12)	(0.04)	-	(3.66)
Closing gross carrying amount	-	-	-	0.28	0.03	1.96	-	2.27
Accumulated depreciation								
Opening accumulated depreciation	-	3.04	0.80	1.63	2.24	8.82	-	16.53
Depreciation charge during the year [see note (b)]	-	1.76	0.03	0.08	0.10	0.06	-	2.03
Assets included in disposal group classified as held for sale	-	(3.04)	(0.83)	(1.55)	(2.32)	(6.96)	-	(14.70)
Disposals	-	(1.76)	-	-	-	-	-	(1.76)
Closing accumulated depreciation	-	-	-	0.16	0.02	1.92	-	2.10
Net carrying amount as at March 31, 2022	-	-	-	0.12	0.01	0.04	-	0.17

a) During the preceding year, based on the Business Transfer Agreement executed on August 14, 2020, windmills has been sold to Champak Pragati Foundation for aggregate consideration of ₹ 20.34 crore. The Holding Company had recognised loss of ₹ 16.57 crore on sale on Windmill. Post the sale of Windmills, transfer application was made to Rajasthan Renewable Energy Corporation (RRECL) for transfer of Power Purchase Agreement (PPA) in favour of the buyer which has been transferred in current year. The Holding Company had received part consideration and balance amount of ₹ 2.32 crore was to be received post PPA transfer, which the Holding Company has received during the current financial year. As on March 31, 2022 there is no balance outstanding pertaining to sale of Windmills.

b) Depreciation amounting ₹ Nil (Preceding year ₹ 0.18 crores) has been recovered from sub leased tenants and hence no impact of depreciation can be seen in Statement of profit and loss.

11. INTANGIBLE ASSETS

(₹ in crore)

	Computer software	Total
Year ended March 31, 2021		
Opening gross carrying amount	13.12	13.12
Additions	0.90	0.90
Disposals and transfers	(0.58)	(0.58)
Closing gross carrying amount	13.44	13.44
Accumulated amortisation		
Opening accumulated amortisation	5.62	5.62
Amortisation during the year	3.62	3.62
Disposals and transfers	(0.36)	(0.36)
Closing accumulated amortisation	8.88	8.88
Net carrying amount as at March 31, 2021	4.56	4.56
Year ended March 31, 2022		
Gross carrying amount		
Opening gross carrying amount	13.44	13.44
Additions	-	-
Assets included in a disposal group classified as held for sale	(13.44)	(13.44)
Disposals and transfers	-	-
Closing gross carrying amount	-	-
Accumulated amortisation		
Opening accumulated amortisation	8.88	8.88
Amortisation during the year	-	-
Assets included in a disposal group classified as held for sale	(8.88)	(8.88)
Disposals and transfers	-	-
Closing accumulated amortisation	-	-
Net carrying amount as at March 31, 2022	-	-

a) Impairment tests for goodwill on consolidation

For the purpose of impairment testing, goodwill is allocated to a cash generating unit (CGU), representing the lowest level within the Group at which goodwill is monitored for internal management purposes. The Group tests whether goodwill has suffered any impairment on an annual basis. The goodwill pertaining to the CGU's are as follows:

(₹ in crore)

	As at March 31, 2022	As at March 31, 2021
CGU's of IDFC Asset Management Company Limited [Refer note (i) below]	-	779.17
Total	-	779.17

i) IDFC Asset Management Company Limited

The Board of Directors of IDFC Limited and IDFC FHCL at their respective meetings held on April 06, 2022, have inter alia considered binding bids received in connection with divestment of IDFC Asset Management Company Limited ('IDFC AMC') along with IDFC AMC Trustee Company Limited ('IDFC AMC Trustee') and have approved sale of the entire shareholding of IDFC AMC and IDFC AMC Trustee held by the Company to a consortium comprising of Bandhan Financial Holding Limited, Lathe Investment Pte. Ltd. (affiliate of GIC), Tangerine Investments Limited, Infinity Partners (affiliates of ChrysCapital) ('Proposed Transaction'). The consideration for the Proposed Transaction is ₹ 4,500 crores on a fully diluted basis and subject to customary price adjustments at the closure.

The Proposed Transaction will be completed upon receipt of requisite regulatory and other approvals, as applicable, and completion of closing related actions mutually agreed between the parties.

It is highly probable that the said sale transaction will be completed in the next 12 months. Accordingly the investment in IDFC AMC and IDFC AMC Trustee is classified as assets held for sale as on March 31, 2022.

Further, as the fair value less cost of sale is more than the carrying value of the investment; hence no impairment loss has been considered for recognition.

During the preceding year, the carrying amount did not exceed the recoverable amount of the cash generating units and hence no impairment was recorded for the year ended March 31, 2021.

12. OTHER NON-FINANCIAL ASSETS

(₹ in crore)

	As at March 31, 2022	As at March 31, 2021
Prepaid expenses	0.21	6.76
Supplier advances	-	0.88
Balances with government authorities - cenvat credit available	1.96	13.61
Other advances	0.08	5.01
Advances to Employees	-	0.07
Less: Allowance for impairment loss	(1.96)	(2.67)
Total	0.29	23.66

13. DERIVATIVE FINANCIAL INSTRUMENTS

The Group enters into derivatives as per its funds investment strategies i.e long / short investment approaches. Derivative instruments are held for generating returns as per funds investment strategy purposes and not limited to risk management purpose.

Details of the derivative instrument in which the funds invests includes Equity and Index Futures and Options. The details of the derivative instrument is given below:

(₹ in crore)

	As at March 31, 2022	As at March 31, 2021
Fair value assets		
- Equity options (at fair value)	-	0.54
	-	0.54
Fair value liabilities		
- Equity futures (at fair value)	-	-
Total	-	-

The Group is exposed to certain risks relating to its ongoing business operations. The primary risks managed using derivative instruments is market rate risk.

The Group's risk management strategy and how it is applied to manage risk are explained in Note 44.

14A. TRADE PAYABLES

(₹ in crore)

	As at March 31, 2022	As at March 31, 2021
- Total outstanding dues of micro enterprises and small enterprises	-	0.04
- Total outstanding dues of creditors other than micro enterprises and small enterprises	-	12.66
Total	-	12.70

Aging of trade payables: as at March 31, 2021

Particulars	Unbilled	Not due	Outstanding for following periods from the due date					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade payables								
Micro enterprises and small enterprises	-	-	0.04		-	-	-	0.04
Others	7.74		3.94	0.20	0.20	0.27	0.31	12.66
Disputed trade receivables								
Micro enterprises and small enterprises	-	-		-	-	-	-	-
Others	-	-	-	-	-	-	-	-

14B. OTHER PAYABLES

(₹ in crore)

	As at March 31, 2022	As at March 31, 2021
- Total outstanding dues of micro enterprises and small enterprises	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	4.53	3.08
Total	4.53	3.08

The information as required under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) has been determined to the extent such parties have been identified on the basis of information received from suppliers regarding their status under the said act as available with the Group and is as follows:

(₹ in crore)

	As at March 31, 2022	As at March 31, 2021
Outstanding principal amount and interest due to suppliers registered under MSMED Act and remaining unpaid at the year end:		
- Principal amount	-	0.04
- Interest due thereon	-	-
Interest paid other than under section 16 of MSMED Act, to suppliers registered under MSMED Act, beyond the appointed day during the period.	-	-
Interest paid under section 16 of MSMED Act, to suppliers registered under MSMED Act, beyond the appointed day during the period.	-	-
Amount of interest due and payable (where the principal has already been paid but interest has not been paid).	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
The amount of further interest remaining due and payable even in succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act.	-	-

15. LEASES

The Group leases various offices. Rental contracts are typically made for fixed periods of 11 months to 9 years, but may have extension options as described in (iii) below.

(i) Amount recognised in balance sheet

The balance sheet shows the following amounts relating to leases:

(₹ in crore)

	As at March 31, 2022	As at March 31, 2021
Right-of-use assets		
Buildings	-	34.27
Total	-	34.27

	As at March 31, 2022	As at March 31, 2021
Lease Liabilities		
Within one year	-	9.53
More than one year	-	27.99
Total	-	37.52

	As at March 31, 2022	As at March 31, 2021
Provision: Asset Restoration Obligations		
Current	-	-
Non-current	-	0.21
Total	-	0.21

Addition to the right-of-use assets during the preceding year ₹ 0.51 crores.

Deletion to the right-of-use assets during the preceding year ₹ 0.32 crores.

(ii) Amount recognised in the statement of profit and loss

The statement of profit and loss account shows the following amounts relating to leases:

(₹ in crore)

	As at March 31, 2022	As at March 31, 2021
Depreciation charge of right-of-use assets		
Buildings	-	10.49
Total	-	10.49

	As at March 31, 2022	As at March 31, 2021
Interest expense	-	3.24
Expense relating to short-term leases	-	2.04
Other income - interest on unwinding of deposit	-	(0.19)
Total	-	5.09

The total cash outflow for leases for the year ended March 31, 2021 was ₹ 11.91 crores.

(iii) Extension and termination options

Extension and termination options are included in a number of property and equipment leases of the Company. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

16. OTHER FINANCIAL LIABILITIES

(₹ in crore)

	As at March 31, 2022	As at March 31, 2021
Unclaimed dividend	1.45	1.85
Amount payable to Minority shareholder	-	2.81
Employee benefit payable	1.80	34.16
Total	3.25	38.82

17. INCOME TAX LIABILITIES

(₹ in crore)

	As at March 31, 2022	As at March 31, 2021
Provision for income tax (net of advance tax)	-	14.60
Total	-	14.60

18. PROVISIONS

(₹ in crore)

	As at March 31, 2022	As at March 31, 2021
Provision for gratuity [Refer note 32(b)]	-	1.76
Asset Restoration Obligations *	-	0.21
Total	-	1.97

* Movement in Asset Restoration Obligations

(₹ in crore)

	As at March 31, 2022	As at March 31, 2021
At the beginning of year	0.21	-
Provision created during the year#	-	0.21
Provision included in a disposal group classified as held for sale	(0.21)	-
Reversed during the year	-	-
At the end of year	-	0.21

It includes the initial estimate of the costs of dismantling, removing the item and restoring the site on which it is located, amounting to ₹ 0.21 crore as at March 31, 2021 referred to as Asset Restoration Obligation.

19. DEFERRED TAX LIABILITIES

The balance comprises temporary differences attributable to:

(₹ in crore)

	As at March 31, 2022	As at March 31, 2021
Property, plant and equipments	-	7.06
Financial assets at fair value through profit or loss	18.08	5.69
Cash settled share based payments	-	(4.42)
Total deferred tax liabilities	18.08	8.33

20. OTHER NON-FINANCIAL LIABILITIES

(₹ in crore)

	As at March 31, 2022	As at March 31, 2021
Liabilities for restricted grants*	-	3.74
Cash settled share based payments	-	17.56
Statutory dues	1.36	17.00
Other Payables	-	0.62
Total	1.36	38.92

* Liabilities for restricted grants includes ₹ 3.74 crores as at March 31, 2021 pertaining to IDFC Foundation held for specified purposes.

21. EQUITY SHARE CAPITAL

(₹ in crore)

	As at March 31, 2022		As at March 31, 2021	
	Number	₹	Number	₹
Authorised shares				
Equity shares of ₹ 10 each	4,000,000,000	4,000.00	4,000,000,000	4,000.00
Preference shares of ₹ 100 each	100,000,000	1,000.00	100,000,000	1,000.00
Issued, subscribed & fully paid-up shares				
Equity shares of ₹ 10 each	1,596,435,942	1,596.44	1,596,358,316	1,596.36
Total	1,596,435,942	1,596.44	1,596,358,316	1,596.36

a) Movements in equity share capital

(₹ in crore)

	As at March 31, 2022		As at March 31, 2021	
	Number	₹	Number	₹
Outstanding at the beginning of the year	1,596,358,316	1,596.36	1,596,358,316	1,596.36
Shares issued during the year	77,626	0.08	-	-
Outstanding at the end of the year	1,596,435,942	1,596.44	1,596,358,316	1,596.36

b) Terms and rights attached to equity shares

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

In the event of liquidation, the holders of equity shares will be entitled to receive any of the remaining assets of the Group, after distribution of all preferential amounts. However, no such preferential amounts exists currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

The dividend proposed by the board of directors is subject to the approval of shareholders at the ensuing annual general meeting, except in case of interim dividend.

c) Shares reserved for issue under options

Information relating to the IDFC Limited Employee Stock Option Scheme (ESOS), including details regarding options issued, exercised and lapsed during the year and options outstanding at the end of the reporting period is set out in note 45.

d) Details of shareholders holding more than 5% of the shares in the Group

Equity shareholders	As at March 31, 2022		As at March 31, 2021	
	Number	% holding	Number	% holding
President of India	261,400,000	16.37%	261,400,000	16.37%

22A. OTHER EQUITY

(₹ in crore)

	As at March 31, 2022	As at March 31, 2021
Surplus in the statement of profit and loss	592.44	(50.63)
Securities premium	2,523.78	2,523.47
General reserve	325.00	314.55
Special reserve u/s. 36(1)(viii) of the Income-tax Act, 1961	2,642.23	2,642.23
Statutory reserves	1,239.98	1,169.15
Share options outstanding account	6.72	15.75
FVOCI - equity investments	-	3.97
Foreign currency translation reserve	0.05	0.03
Total	7,330.20	6,618.52

a) Surplus in the statement of profit and loss

(₹ in crore)

	As at March 31, 2022	As at March 31, 2021
Opening balance	(50.63)	(365.42)
Net profit for the period	64.03	(336.02)
Other comprehensive income	127.83	224.17
Share based payments		
- Others	(36.39)	(3.76)
- Share of reserves of associates accounted using equity method of accounting net of deferred tax	554.46	13.14
Transfers to/ from :		
- Special reserve u/s. 45-IC of the RBI Act,1934	(70.83)	(11.81)
- Special reserve u/s. 36(1)(viii) of the Income-tax Act, 1961 [refer note 22C (f)]	-	411.02
- Foreign currency translation reserve [refer note 22C (g)]	-	18.05
- Equity instruments through OCI	3.97	-
Closing Balance	592.44	(50.63)

b) Securities premium

(₹ in crore)

	As at March 31, 2022	As at March 31, 2021
Opening balance	2,523.47	2,523.47
Changes during the year	0.31	-
Closing balance	2,523.78	2,523.47

c) General reserve

(₹ in crore)

	As at March 31, 2022	As at March 31, 2021
Opening balance	314.55	314.55
Appropriations during the year	10.45	-
Closing balance	325.00	314.55

d) Special reserve u/s. 36(1)(viii) of the Income-tax Act, 1961

(₹ in crore)

	As at March 31, 2022	As at March 31, 2021
Opening balance	2,642.23	3,053.25
Appropriations during the year	-	(411.02)
Closing balance	2,642.23	2,642.23

e) Special reserves u/s 45-IC of RBI Act, 1934

(₹ in crore)

	As at March 31, 2022	As at March 31, 2021
Opening balance	1,169.15	1,157.34
Appropriations during the year	70.83	11.81
Closing balance	1,239.98	1,169.15

f) Share options outstanding account

(₹ in crore)

	As at March 31, 2022	As at March 31, 2021
Opening balance	15.75	19.09
Employee stock option expense for the year	2.01	-
Options cancelled during the year	(11.04)	(3.34)
Closing balance	6.72	15.75

22B. OTHER RESERVES (₹ in crore)

	As at March 31, 2022	As at March 31, 2021
FVOCI - equity investments	-	3.97
Foreign currency translation reserve	0.05	0.03
Total	0.05	4.00

a) FVOCI - equity investments (₹ in crore)

	As at March 31, 2022	As at March 31, 2021
Opening balance	3.97	3.97
Transfer to retained earnings	(3.97)	-
Closing balance	-	3.97

b) Foreign currency translation reserve (₹ in crore)

	As at March 31, 2022	As at March 31, 2021
Opening balance	0.03	18.08
Exchange differences on translation of foreign operations	0.02	-
Transfer to retained earnings	-	(18.05)
Closing balance	0.05	0.03

22C. Nature and purpose of reserve

a) Securities premium

It is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

b) General reserve

Under the erstwhile Companies Act, 1956, general reserve was created through an annual transfer of net income at specified percentage in accordance with applicable regulations. The purpose of these transfer was to ensure that if dividend distribution in the given year is more than 10% of paid up capital of the Company of that year, then the total dividend distribution is less than the total distributable results of the year. Consequent to introduction of Companies Act, 2013, the requirement to transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of the Companies Act, 2013.

c) FVOCI - equity investments

The Group has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVOCI - equity investments reserve within equity. The Group transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

d) Special reserves u/s 45-IC of RBI Act, 1934

As per section 45-IC of RBI Act, 1934, every non-banking financial company (NBFC) shall create a reserve fund and transfer therein a sum not less than twenty per cent (20%) of its net profit every year as disclosed in the statement of profit or loss and before any dividend is declared. No appropriation of any sum from the reserve fund shall be made by the non-banking financial company except for the purpose as may be specified by RBI.

e) Share options outstanding account

The share options outstanding account is used to recognise the grant date fair value of options issued to employees under Employee Stock Option Scheme (ESOS) over the vesting period. (Refer Note 45)

f) Special reserve u/s. 36(1)(viii) of the Income-tax Act, 1961

As per section 36(1)(viii) of Income tax act, 1961, deduction shall be allowed in respect of any special reserve created and maintained by specified entities, for an amount not exceeding twenty percent (20%) of the profits derived from eligible business (computed under the head "Profits and gains of business or profession" (before making any deduction under this clause) carried to such reserve account.

Provided that where the aggregate of the amounts carried to such reserve account from time to time exceeds twice the amount of the paid up share capital and of the general reserves of the specified entity, no allowance under this clause shall be made in respect of such excess.

Before demerger of its financing undertaking, the Holding Company was a notified public financial institution engaged in lending to infrastructure projects. The Holding Company had created special reserve u/s 36(1)(viii) of the Income Tax Act,1961 on profits derived from eligible business. The Holding Company has claimed deduction for the creation of these reserves in earlier years. Section 41(4A) states that, "Where a deduction has been allowed in respect of any special reserve created and maintained under clause (viii) of sub- section (1) of section 36, any amount subsequently withdrawn from such special reserve shall be deemed to be the profits and gains of business or profession and accordingly be chargeable to income-tax as the income of the previous year in which such amount is withdrawn." During the preceding year, based on the legal opinion provided by the external legal advisor and in consultation with the tax consultant, the Holding Company transferred excess reserves of ₹ 411.02 crores on which deduction was not allowed in any of the previous years to "Surplus in the statement of profit and loss". The transfer of reserves in previous year was approved by the Board of Directors.

g) Foreign currency translation reserve

Exchange difference arising on translation of foreign operations are recognised in other comprehensive income as described in accounting policy are accumulated in special reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed off.

23. INTEREST INCOME

(₹ in crore)

	Year ended March 31, 2022	Year ended March 31, 2021
On financial assets measured at amortised costs:		
Interest on investments	-	0.65
Interest on deposits with banks	0.41	7.56
Total	0.41	8.21

24. NET GAIN/(LOSS) ON FAIR VALUE CHANGES

(₹ in crore)

	Year ended March 31, 2022	Year ended March 31, 2021
Net gain/(loss) on financial instruments at fair value through profit or loss (FVTPL)		
On trading portfolio		
- Debt instrument at FVTPL	-	-
On financial instruments designated at FVTPL	87.64	25.49
Total (A)	87.64	25.49
Fair value changes:		
Realised	12.81	10.10
Unrealised	74.83	15.39
Total (B)	87.64	25.49

25. OTHER INCOME

(₹ in crore)

	Year ended March 31, 2022	Year ended March 31, 2021
Interest on income tax refund	ß	0.44
Other interest	0.51	0.19
Other donations	0.01	0.40
Rental income	-	2.57
Restricted grants	5.18	8.39
Sitting fees	0.04	0.03
Gain on sale of property, plant and equipment	-	0.07
Sale of power	-	4.74
Reversal of provision of earlier years*	-	30.46
Miscellaneous income	4.03	0.14
Total	9.77	47.43

* Out of the above for details of reversal amounting to ₹ 22.63 crores refer note 37(b). The balance amount pertains to reversal of impairment on other receivables amounting to ₹ 7.83 crores as the same have been recovered during the preceding year.

26. FINANCE COST

		(₹ in crore)
	Year ended March 31, 2022	Year ended March 31, 2021
On financial liabilities measured at amortised cost:		
- Interest expense on loan	-	9.53
Other borrowing costs	0.48	0.90
Total	0.48	10.43

27. IMPAIRMENT ON FINANCIAL INSTRUMENTS

		(₹ in crore)
	Year ended March 31, 2022	Year ended March 31, 2021
On Financial instruments measured at Amortised Cost:		
Provision on doubtful debts	(0.75)	(4.31)
Total	(0.75)	(4.31)

28. EMPLOYEE BENEFIT EXPENSE

		(₹ in crore)
	Year ended March 31, 2022	Year ended March 31, 2021
Salaries, wages and bonus	13.80	13.49
Contribution to provident and other funds [Refer note 32(a)]	0.95	0.97
Gratuity expense [Refer note 32(b)]	0.12	0.27
Employee share based payment expense [Refer note 45(d])	1.54	(0.28)
Staff welfare expense	0.16	0.13
Total	16.57	14.58

29. DEPRECIATION, AMORTISATION AND IMPAIRMENT

		(₹ in crore)
	Year ended March 31, 2022	Year ended March 31, 2021
Depreciation and impairment of property, plant and equipment (see note 10)	2.03	1.62
Depreciation on Right to Use Asset	1.52	1.83
Total	3.55	3.45

30. OTHER EXPENSES

		(₹ in crore)
	Year ended March 31, 2022	Year ended March 31, 2021
Rent	0.64	0.70
Rates and taxes	2.23	2.66
Electricity	0.07	0.06
Repairs and maintenance		
- Equipments	-	1.26
- Others	0.37	0.25
Insurance charges	0.14	0.16
Travelling and conveyance	0.12	0.26
Printing and stationery	0.02	0.01
Communication costs	0.11	0.32
Advertising and publicity	0.05	0.03
Professional fees	13.69	8.26
Directors' sitting fees	1.18	0.55
Commission to directors	0.94	0.85
Rent on termination of lease	1.44	-
Loss on disposal of property, plant and equipment (net) [refer note 10(a)]	1.84	16.57
Other financial asset written off	0.53	-
Contribution for corporate social responsibility (CSR) [Refer note (b) below]	1.01	-
Auditors' remuneration [refer note (a) below]	0.66	0.80
Shared service costs	0.25	-
Grants to implementing partners	0.12	1.13
Income tax write off	-	5.74
Bank charges	ß	0.02
Project expenses (COVID-19)	0.07	2.10
Miscellaneous expenses	0.37	0.57
Total	25.85	42.30

a) Breakup of Auditors' remuneration

(₹ in crore)

	Year ended March 31, 2022	Year ended March 31, 2021
Audit fees	0.36	0.47
Tax audit fees	0.05	0.06
Other Services	0.25	0.24
Out-of-pocket expenses	ß	0.03
Total	0.66	0.80

b) Contribution for corporate social responsibility (CSR)

i) As per Section 135 of the Companies Act, 2013, amount required to be spent by the Group on Corporate Social Responsibility (CSR) related activities during the period is ₹ 1.01 crore (previous year ₹ 1.30 crore).

ii) Amount spent towards CSR during the year and recognised as expense in the Statement of Profit and Loss on CSR related activities is ₹ 1.01 crore (previous year ₹ 0.74 crore), which comprise of following:

(₹ in crore)

	Year ended March 31, 2022	Year ended March 31, 2021
CSR Expenditure:		
Social Action For Manpower Creation - SAMPARC	0.36	-
Yosaid Innovation Foundation	0.35	-
GOONJ	0.10	-
IIMPACT	0.10	-
INDIAN CANCER SOCIETY	0.10	-
IDFC Foundation (see note 3 below)	-	0.74
	1.01	0.74
Amount spent during the year on:		
(i) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above (see note 2 below)	1.01	1.30
Total	1.01	1.30

1. There is no amount outstanding to be paid in cash, out of total amount required to be spent on CSR related activities.
2. Based on the Appeal received from the Government of India, Ministry of Corporate Affairs (MCA), the Group had additionally contributed ₹ 0.56 crore towards Prime Minister's CARES fund in FY 19-20. Also MCA had issued a circular dated May 20, 2021 - on offsetting the excess CSR spent for financial year 2019-20 in next financial year. Accordingly excess contribution of ₹ 0.56 crore made in FY 19-20 has been set off against CSR liability of FY 20-21.
3. Since IDFC Foundation is consolidated on line by line basis, CSR contribution to IDFC Foundation has been eliminated.

31. INCOME TAX

a) The components of income tax expense for the years ended March 31, 2022 and March 31, 2021 are:

(₹ in crore)

	Year ended March 31, 2022	Year ended March 31, 2021
I. Tax expense recognised in statement of profit and loss		
Current tax		
Current tax on profit for the year	107.66	69.93
Adjustments for current tax of prior years	(2.72)	7.01
Total current tax expense	104.94	76.94
Deferred tax		
(Decrease) / Increase in deferred tax liabilities	17.50	(6.57)
Total deferred tax expense/(benefit)	17.50	(6.57)
Total tax expense for the year	122.44	70.37
Income tax attributable to:		
- Profit from continuing operations	60.50	25.34
- Profit from discontinued operations	61.94	45.03
	122.44	70.37

b) Reconciliation of the total tax charge

The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all profits had been charged at India corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the years ended March 31, 2022 and March 31, 2021 is as follows:

(₹ in crore)

	Year ended March 31, 2022	Year ended March 31, 2021
Profit / (loss) from continuing operations before tax expense	59.42	(452.22)
Profit from discontinued operations before tax expense	127.33	185.85
Tax at India's statutory income tax rate of 25.17% (previous year 25.17%)	47.01	(67.05)
Tax effect of the amount which are not taxable in calculating taxable income	(5.16)	(7.67)
Effect of tax on Share of net loss of associates and joint ventures accounted for using equity method	(1.84)	117.54
Tax impact of income not included in determining taxable profit above	42.79	17.94
Effect of tax on income taxable under different tax rates	(3.53)	2.08
Expenses not deductible for tax purposes	-	9.96
Adjustments for current tax of prior periods	(2.72)	7.01
Effect of reversal of opening deferred tax asset/ liability	17.50	(6.57)
Different statutory tax rates applied by the group entities	29.89	(0.36)
Other	(1.50)	(2.51)
Income tax expense at effective tax rate	122.44	70.37
Effective tax rate	65.56%	(26.42%)

c) Tax losses

(₹ in crore)

	Year ended March 31, 2022	Year ended March 31, 2021
Unused tax losses for which no deferred tax asset has been recognised	1.41	5.36
Potential tax benefit at 25.17% (March 31, 2021: 25.17%)	0.36	1.35

d) Unrecognised temporary differences

(₹ in crore)

	Year ended March 31, 2022	Year ended March 31, 2021
Temporary differences relating to investment in subsidiaries and joint ventures for which deferred tax liabilities have not been recognised		
- Undistributed earnings of subsidiary*	261.66	357.59
- Undistributed earnings of joint venture**	-	71.66
- Unrecognised deffered tax liabilities relating to the above temporary differences	65.86	108.04

* Certain subsidiaries of the Group have undistributed earnings of ₹ 261.66 crores (March 31, 2021: ₹ 357.59 Crores) which, if paid out as dividends, would be subject to tax in the hands of the recipient. An assessable temporary difference exists, but no deferred tax liability has been recognised as the parent entity has ability to control the timing of distributions from these subsidiaries.

The Group has not recognised deferred tax asset on accumulated losses of subsidiaries and associates, as the Group does not foresee a reasonable certainty of sufficient future income available against which these accumulated losses can be utilised.

** The joint ventures of the Group have undistributed earnings of ₹ Nil (March 31, 2021: ₹ 71.66 Crores) which will be remitted to IDFC Foundation having joint control over these joint venture. IDFC Foundation is a Section 8 Company registered for specified purpose with an intention to prohibit payment of dividends to its shareholders i.e. IDFC Limited and hence no defered tax is recognised as the Group will not receive any distribution out of these profits in the foreseeable future. [see note 40 (c)]

32. EMPLOYEE BENEFIT OBLIGATIONS

a) Defined contribution plans

The Group has recognised the following amounts in the statement of profit and loss towards contribution to defined contribution plans which are included under contribution to provident and other funds:

(₹ in crore)

	Year ended March 31, 2022	Year ended March 31, 2021
Provident fund	0.63	0.64
Pension fund	0.29	0.30
Superannuation fund	0.03	0.03
Total	0.95	0.97

b) Defined benefit plans

The Group has a defined benefit gratuity plan in India (funded). The Group's defined benefit gratuity plan is a final salary plan for India employees, which requires contributions to be made to a separately administered fund. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age.

The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plans:

i) Balance Sheet

(₹ in crore)

	Present value of obligation	Fair value of plan assets	Net amount
As at March 31, 2021	21.16	19.40	1.76
Current service cost	0.02	-	0.02
Interest expense/(income)	0.06	0.05	0.01
Return on plan assets	-	-	-
Actuarial loss / (gain) arising from change in financial assumptions	(0.01)	-	(0.01)
Actuarial loss / (gain) arising on account of experience changes	0.20	-	0.20
Actual return on plan assets less interest on plan assets	-	0.08	(0.08)
Adjustment to recognise the effect of asset ceiling	-	(0.01)	0.01
Employer contributions	-	0.31	(0.31)
Benefit payments	-	-	-
Opening removal from obligation and fair value of assets of assets and liabilities included in a disposal group classified as held for sale	(18.42)	(16.82)	(1.60)
As at March 31, 2022	3.01	3.01	ß

	As at March 31, 2022	As at March 31, 2021
Present value of plan liabilities	3.01	21.16
Fair value of plan assets	3.01	19.40
Plan liability net of plan assets	ß	1.76

ii) Statement of Profit and Loss

(₹ in crore)

	Year ended March 31, 2022	Year ended March 31, 2021
Employee Benefit Expenses:		
Current service cost	0.12	0.28
Interest cost	ß	(0.01)
(Gains) / losses on settlement	-	-
Total	0.12	0.27
Finance cost	-	-
Net impact on the profit before tax	0.12	0.27
Remeasurement of the net defined benefit liability:		
Return on plan assets excluding amounts included in interest expense/ income	-	-
Actuarial gains/(losses) arising from changes in demographic assumptions	-	-
Actuarial gains/(losses) arising from changes in financial assumptions	(0.01)	(0.06)
Actuarial gains/(losses) arising from changes in experience	0.19	0.25
Actual return on plan assets less interest on plan assets	(0.08)	(0.16)
Adjustment to recognize the effect of asset ceiling	-	-
Income tax relating to above	(0.03)	(0.04)
Net impact on the other comprehensive income before tax	0.07	(0.01)

iii) Defined benefit plan assets

Category of assets (% allocation)	As at March 31, 2022	As at March 31, 2021
Insurer managed funds		
- Government securities	45.65%	40.41%
- Deposit and money market securities	15.06%	4.65%
- Debentures / bonds	33.93%	53.50%
- Equity shares	5.36%	1.44%
Total	100.00%	100.00%

iv) Actuarial assumptions

With the objective of presenting the plan assets and plan liabilities of the defined benefits plans and post retirement medical benefits at their fair value on the balance sheet, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date.

	As at March 31, 2022	As at March 31, 2021
Discount rate	4.40%	3.90% to 7.00%
Salary escalation rate*	5%	5% to 10%

* takes into account the inflation, seniority, promotions and other relevant factors

v) Demographic assumptions

Mortality in Service : Indian Assured Lives Mortality (2012-14)

vi) Sensitivity

As at March 31, 2022	Change in assumption	Impact on defined benefit obligation	
		Increase	Decrease
Discount rate	0.50%	(0.23%)	0.26%
Salary escalation rate	0.50%	0.25%	(0.23%)

As at March 31, 2021	Change in assumption	Impact on defined benefit obligation	
		Increase	Decrease
Discount rate	0.50%	(0.24%)	0.26%
Salary escalation rate	0.50%	0.26%	(0.24%)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

vii) Maturity

The defined benefit obligations shall mature after year end as follows:

(₹ in crore)

	As at March 31, 2022	As at March 31, 2021
within 12 months	2.89	3.98
Between 2-5 years	0.03	3.70
Between 5-10 years	0.03	3.73
Beyond 10 years	0.16	26.27

The weighted average duration to the payment of these cash flows is 0.49 years (previous year 0.50 years to 10.31 years).

33. DISCONTINUED OPERATION

a) IDFC Asset Management Company Limited and IDFC AMC Trustee Company Limited

The Board of Directors of IDFC Limited and IDFC FHCL at their respective meetings held on April 06, 2022, have inter alia considered binding bids received in connection with divestment of IDFC Asset Management Company Limited ('IDFC AMC') along with IDFC AMC Trustee Company Limited ('IDFC AMC Trustee') and have approved sale of the entire shareholding of IDFC AMC and IDFC AMC Trustee held by the Company to a consortium comprising of Bandhan Financial Holding Limited, Lathe Investment Pte. Ltd. (affiliate of GIC), Tangerine Investments Limited, Infinity Partners (affiliates of ChrysCapital) ('Proposed Transaction'). The consideration for the Proposed Transaction is ₹ 4,500 crores on a fully diluted basis and subject to customary price adjustments at the closure.

The Proposed Transaction will be completed upon receipt of requisite regulatory and other approvals, as applicable, and completion of closing related actions mutually agreed between the parties.

It is highly probable that the said sale transaction will be completed in the next 12 months. Accordingly the investment in IDFC AMC and IDFC AMC Trustee is classified as assets held for sale as on March 31, 2022.

Further, as the fair value less cost of sale is more than the carrying value of the investment; hence no impairment loss has been considered for recognition.

i) Financial performance and cash flow information (after inter-company eliminations)

A) IDFC AMC Limited

(In ₹ crore)

	Year ended March 31, 2022	Year ended March 31, 2021
Revenue	421.01	370.20
Expenses	188.22	178.04
Profit before tax	232.79	192.16
Tax expense	62.02	44.90
Profit after tax	170.77	147.26
Other comprehensive income	0.87	0.99
Total comprehensive income	171.64	148.25
Total comprehensive income attributable to owners	171.57	148.19
Total comprehensive income attributable to minority holders	0.07	0.06
Total profit from discontinued operation attributable to owners	171.57	148.19
Net cash inflow from operating activities	195.26	160.24
Net cash inflow (outflow) from investing activities	143.08	(100.86)
Net cash (outflow) from financing activities	(340.24)	(60.65)
Net increase in cash generated from discontinued operation	(1.90)	(1.27)

B) IDFC AMC Trustee Company Limited

(In ₹ crore)

	Year ended March 31, 2022	Year ended March 31, 2021
Revenue	0.60	0.30
Expenses	0.42	0.21
Profit before tax	0.18	0.09
Tax expense	0.05	0.02
Profit after tax	0.13	0.07
Other comprehensive income	0.01	(0.01)
Total comprehensive income	0.14	0.06
Total comprehensive income attributable to owners	0.14	0.06
Total comprehensive income attributable to minority holders	-	-
Total profit from discontinued operation attributable to owners	0.14	0.06
Net cash inflow from operating activities	0.10	0.03
Net cash inflow (outflow) from investing activities	-	-
Net cash (outflow) from financing activities	-	-
Net increase in cash generated from discontinued operation	0.10	0.03

ii) The carrying amounts of assets and liabilities as on March 31, 2022

A) IDFC AMC Limited

(In ₹ crore)

	As at March 31, 2022
Cash and cash equivalents	1.26
Bank balances other than cash and cash equivalents above	3.52
Trade receivables	13.35
Investments	226.08
Other financial assets	6.08
Income tax assets (net)	15.85
Property, plant and equipment	10.17
Intangible assets	1.92
Capital Work-In-Progress	-
Right-of-use assets	27.99
Deferred tax assets (net)	1.33
Other non-financial assets	20.45
Total assets	328.00
Trade Payables	11.34
Lease liabilities	31.95
Other financial liabilities	35.76
Income tax liabilities (net)	18.86
Provisions	1.73
Deferred tax liabilities (net)	-
Other non-financial liabilities	41.02
Total liabilities	140.66
Net assets derecognised	
- Attributable to IDFC Limited	187.27
- Non-controlling interest	0.07

B) IDFC AMC Trustee Company Limited

(In ₹ crore)

	As at March 31, 2022
Cash and cash equivalents	0.31
Trade Receivables	0.18
Other Assets	0.04
Income tax assets (net)	0.02
Total assets	0.55
Trade Payables	0.01
Income Tax liabilities	0.01
Other financial liabilities	0.06
Total liabilities	0.08
Net assets derecognised	
- Attributable to IDFC Limited	0.47
- Non-controlling interest	-

b) IDFC India Equity Hedge Fund - IDFC IEH Conservative Fund

IDFC India Equity Hedge Fund Category III ('Fund') was constituted as a trust on 1st September 2017, in accordance with the provisions of the Indian Trusts Act, 1882. IDFC Limited is the Sponsor and IDBI Trusteeship Services Limited ('Trustee') is the Trustee of the Fund. IDFC AMC has been appointed as the Investment Manager of the Fund.

IDFC IEH Conservative Fund was a scheme launched under IDFC India Equity Hedge Fund Category III registered with SEBI under SEBI (Alternative Investment Funds) Regulations, 2012. IDFC IEH Conservative Fund is an open ended scheme which was launched as on January 31, 2018. The Scheme is represented by Class of Units.

The primary objective of the Scheme is to generate attractive risk adjusted returns and reduce volatility by investing predominantly in Indian equities and equity derivatives within a low to moderate net exposure risk format. More specifically, to employ long/short and arbitrage strategies to provide superior alpha based returns that are relatively uncorrelated to Indian equity indices.

Based on the control assessment carried out by the Group, IDFC IEH Conservative Fund was assessed as a subsidiary of the Group under Ind AS 110 considering the principal-agency guidance. The asset manager of IDFC IEH Conservative Fund, IDFC AMC which holds power over its relevant activities is a wholly-owned subsidiary of the Holding Company and cannot be removed without approval from 75% of unitholders. The Group holds 69.54% units in the fund as on March 31, 2022 and 91.60% units in the fund as on March 31, 2021, which constitutes exposure to variability in returns. Accordingly, the assets, liabilities, income and expenses of IDFC IEH Conservative Fund had been consolidated with the Group on line by line basis.

However, now as IDFC AMC is asset Held for Sale, IDFC IEH Conservative Fund which is considered as subsidiary of the Group through IDFC AMC, is also shown as Asset held for sale and line by line consolidation is not done for the same.

(i) Financial performance and cash flow information (after inter-company eliminations)

IDFC India Equity Hedge Fund - IDFC IEH Conservative Fund

(In ₹ crore)

	Year ended March 31, 2022	Year ended March 31, 2021
Revenue	1.74	1.11
Expenses	0.81	1.23
Profit / (loss) before tax	0.93	(0.12)
Tax expense	(0.13)	0.40
Profit / (loss) after tax	1.06	(0.52)
Other comprehensive income	-	-
Total comprehensive income	1.06	(0.52)
Total comprehensive income attributable to owners	0.74	(0.48)
Total comprehensive income attributable to Minority shareholders	0.32	(0.04)
Total profit from discontinued operation attributable to owners	0.74	(0.48)
Net cash inflow from operating activities	(1.16)	(3.96)
Net cash inflow (outflow) from investing activities	(24.62)	9.03
Net cash (outflow) from financing activities	10.32	(7.56)
Net increase in cash generated from discontinued operation	(15.46)	(2.49)

The carrying amounts of assets and liabilities as on March 31, 2022

(In ₹ crore)

	As at March 31, 2022
Cash and cash equivalents	1.04
Bank balances other than cash and cash equivalents above	3.25
Investments	38.37
Income tax assets (net)	0.27
Total assets	42.93
Trade Payables	0.05
Deferred Tax liabilities	0.09
Other non financial liabilities	0.17
Total liabilities	0.31
Net assets derecognised	
- Attributable to IDFC Limited	29.62
- Non-controlling interest	13.00

c). IDFC Investment Managers (Mauritius) Limited

The principal activity of the Company is to provide investment management services. The Company has entered into investment management agreement with India Multi Avenues Fund, a fund incorporated in Mauritius in 2015. The Fund has still not started its operations as on date of Balance Sheet.

IDFC Investment Managers (Mauritius) Limited is a wholly owned subsidiary of IDFC AMC. However, now as IDFC AMC is asset Held for Sale, IDFC Investment Managers (Mauritius) Limited, which is considered as subsidiary of the Group through IDFC AMC, is also shown as Asset held for sale and line by line consolidation is not done for the same.

(i) Financial performance and cash flow information (after inter-company eliminations)

(In ₹ crore)

	Year ended March 31, 2022	Year ended March 31, 2021
Revenue	-	-
Expenses	0.53	0.46
Profit before tax	(0.53)	(0.46)
Tax expense	-	-
Profit after tax	(0.53)	(0.46)
Other comprehensive income	-	-
Total comprehensive income	(0.53)	(0.46)
Total comprehensive income attributable to owners	(0.53)	(0.46)
Total comprehensive income attributable to Minority shareholders	-	-
Total profit from discontinued operation attributable to owners	(0.53)	(0.46)
Net cash inflow from operating activities	(0.52)	(0.52)
Net cash inflow (outflow) from investing activities	-	-
Net cash (outflow) from financing activities	-	1.11
Net increase in cash generated from discontinued operation	(0.52)	0.59

The carrying amounts of assets and liabilities as on March 31, 2022

(In ₹ crore)

	As at March 31, 2022
Cash and cash equivalents	0.35
Loans and advances	0.01
Total assets	0.36
Trade Payables	0.05
Total liabilities	0.05
Net assets derecognised	
- Attributable to IDFC Limited	0.31
- Non-controlling interest	-

34. Segment information

(₹ in crore)

	Year ended March 31, 2022	Year ended March 31, 2021
Segment revenues		
- Financing	395.22	77.01
- Others	42.02	22.89
Total segment revenues	437.24	99.90
Add: Unallocated revenues	-	-
Less: Inter-segment adjustments	(349.19)	(66.20)
Total Revenues	88.05	33.70
Segment results		
- Financing	33.88	4.34
- Others	18.24	7.78
Total segment results	52.12	12.12
Add / (Less): Unallocated	-	-
Add: Share of profit / (loss) from associates accounted under equity method	7.30	(464.34)
Profit before tax	59.42	(452.22)
Segment assets		
- Financing	340.12	78.48
- Others	252.78	183.34
Total segment assets	592.90	261.82
Unallocated		
- Banking	7,401.21	6,712.42
- Others	18.98	142.23
- Disposal group held for sale	1,151.01	1,254.35
Total assets	9,164.10	8,370.82
Segment liabilities		
- Financing	7.73	24.61
- Others	1.41	11.52
Total segment liabilities	9.14	36.13
Unallocated		
- Others	18.08	27.35
- Disposal group held for sale	210.24	92.46
Total liabilities	237.46	155.94
Capital employed		
- Financing	332.39	53.87
- Others	251.37	171.82
Total segment capital employed	583.76	225.69
Unallocated		
- Banking	7,401.21	6,712.42
- Others	0.90	114.88
- Disposal group held for sale	940.77	1,161.89
Total capital employed	8,926.64	8,214.88

i) The Group identifies primary segments based on the dominant source, nature of risk and returns and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / loss amounts are evaluated by the Chief Operating Decision Maker.

ii) Segment composition :

- Financing includes investing activity
- The Group has reorganised its segment structure on account of classification of IDFC Asset Management Company Limited, IDFC AMC Trustee Company Limited, IDFC IEH Conservative Fund and IDFC Investment Managers (Mauritius) Limited as Disposal group held for sale. Previous period segment figures are regrouped in accordance with revised segment structure.

35. EARNINGS PER SHARE

a) The basic earnings per share has been calculated based on the following:

	Year ended March 31, 2022	Year ended March 31, 2021
Net profit after tax available for equity shareholders	64.31	(336.74)
Weighted average number of equity shares	1,596,413,052	1,596,358,316

b) The reconciliation between the basic and the diluted earnings per share is as follows:

	Year ended March 31, 2022	Year ended March 31, 2021
Basic earnings per share (in ₹)	0.40	(2.11)
Effect of outstanding stock options	0.00	-
Diluted earnings per share (in ₹)	0.40	(2.11)

c) Weighted average number of equity shares is computed for the purpose of calculating diluted earning per share, after giving the dilutive impact of the outstanding stock options for the respective years.

	Year ended March 31, 2022	Year ended March 31, 2021
Weighted average number of shares for computation of Basic EPS	1,596,413,052	1,596,358,316
Dilutive effect of outstanding stock options	415,673	-
Weighted average number of shares for computation of Diluted EPS	1,596,851,615	1,596,358,316

36. CONTINGENT LIABILITIES

(₹ in crore)

	As at March 31, 2022	As at March 31, 2021
Claims not acknowledged as debts in respect of:		
- Income-tax demands under appeal (net of provision)	44.98	10.43
- Other claims	1.97	1.50
Total	46.95	11.93

37. CAPITAL COMMITMENTS

(₹ in crore)

	As at March 31, 2022	As at March 31, 2021
Uncalled liability on shares and other investments partly paid	16.25	58.53
Estimated amount of contracts remaining to be executed on capital account (net of advances)	0.53	0.36
Letter of comfort (see note a)	14.57	14.57
Total	31.35	73.46

a) The Holding Company had issued letter of comfort to IDFC Foundation- wholly owned subsidiary of the Company, if there is any shortfall in meeting its obligations towards its contingent liabilities amounting to ₹ 14.57 crore and any related penalty. The comfort letter is valid till April 30, 2022.

b) IDFC Projects Limited, a wholly owned subsidiary of the Group holds 19.90% stake on fully diluted basis in Jetpur Somnath Tollways Private Limited ("JSTPL"). JSTPL had executed the concession agreement with National Highway Authority of India ("NHAI") for the purpose of four laning of 123.45 km Jetputur Somnath Section of NH-8D in the state of Gujarat under NHDP phase III on Build Operate Transfer (BOT) (TOLL) on DBFO pattern. Due to certain disputes, JSTPL along with its lenders had initiated arbitration proceeding against NHAI to make payment of 90% of the debt due under terms of the arrangement. The Hon'ble Supreme Court of India directed NHAI to pay ₹ 348.60 crore in the Escrow Account with the Lead Lender, Punjab National Bank (PNB) within 6 (six) weeks from January 05, 2018. Following that, NHAI had released the amount of ₹ 348.60 crore on January 29, 2018 which was distributed to lenders on proportionate basis. However, JSTPL had provided a bank guarantee of the amount of ₹ 348.60 crore to NHAI in compliance with order of the Court.

The Hon'ble Delhi High Court pronounced the judgement on January 4, 2021 in favour of JSTPL. NHAI challenged this judgment under section 37 and next hearing was scheduled on April 29, 2021 which got adjourned and is rescheduled on July 19, 2021. JSTPL filed execution petition on January 13, 2021 and based on the petition filed Hon'ble Delhi High Court directed NHAI to handover the original bank guarantee before March 15, 2021. JSTPL collected the bank guarantee from NHAI on March 17, 2021 and returned it to PNB. Accordingly IDFC Projects share of commitment (19.90% on fully dilutive basis) which was counter guaranteed by IDFC for ₹ 69.37 crore was disclosed as commitments in previous year. However, as bank guarantee is revoked, it is no more shown as outstanding commitment. Consequently, provision on loan commitment created by the Group for ₹ 22.63 crore was also revered in preceding year.

c) The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and postemployment 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. However, 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 record any related impact in the period the Code becomes effective.

38. EVENTS OCCURRING AFTER THE REPORTING PERIOD

(i) The Board of the Directors of the Holding Company at its meeting held on April 06, 2022 has considered and declared an Interim Dividend of 10% i.e. ₹ 1 per equity share of the Company. The interim dividend was paid to the eligible shareholders on May 02, 2022, whose names appeared on the Register of Members of the Holding Company as at close of day on April 10, 2022 being the record date for the purpose of the aforesaid interim dividend.

39. The figures of ₹ 50,000 or less have been denoted by ß.

40. UPDATE ON SUBSIDIARIES AND ASSOCIATES

(a) Corporate restructuring

As part of simplification of corporate structure, the Board of Directors of the Holding Company along with its three wholly owned subsidiaries ('WOS') IDFC Alternatives Limited, IDFC Trustee Company Limited and IDFC Projects Limited, approved the merger of WOS into the Holding Company, subject to regulatory approvals from various authorities. Post Board approval, the Holding Company along with its three WOS has filed scheme of amalgamation with Official Liquidator ('OL') – Chennai and with Regional Director ('RD') / Registrar of Companies ('ROC') – Chennai on December 06, 2021. The financial statements of these subsidiaries have been prepared on realisable value basis and accordingly, all assets and liabilities are stated at the value at which they are expected to be realised/ settled.

The ROC, Chennai vide its letter dated February 01, 2022 intimated it's no observations/suggestions to the aforesaid scheme of amalgamation. Also, the OL of Madras High Court vide its letter dated March 24, 2022, communicated it's no observations to the aforesaid scheme of amalgamation. Approval from RD is still awaited.

(b) Financial statements of subsidiaries prepared on non-going concern basis

In view of discontinuance of business operations of IDFC Alternatives Limited, IDFC Trustee Company Limited and IDFC Projects Limited, the financial statements of these subsidiaries have been prepared on realisable value basis and accordingly, all assets and liabilities are stated at the value at which they are expected to be realised/ settled.

(c) IDFC Foundation:

IDFC Foundation, a wholly owned subsidiary, holds investments in two joint venture entities namely Delhi Integrated Multi Modal Transit Systems Limited and Infrastructure Development Corporation (Karnataka) Limited ("JV entities"). Board of Directors of the Holding Company has approved the divestment of these JV entities and have taken necessary steps for the same, accordingly, these entities are being classified as assets held for sale. As per IndAS 105, Non-Current Assets Held for Sale needs to be valued at lower of the carrying cost and net realisable value. IDFC Foundation, being a Section 8 company, prohibits payment of dividend and repatriation of capital back to shareholders, accordingly, the net realisable value for the Holding Company of the said asset which is held for sale is considered as Nil and the figures for the year ended March 31, 2022 are net of write down of ₹ 105.60 crore which was the carrying value of these JV entities.

(d) IDFC Financial Holding Company Limited:

(i) IDFC Financial Holding Company Limited (IDFC FHCL), Wholly Owned Subsidiary ('WOS') of the Holding Company had filed application u/s 66 (i) of the Companies Act 2013, for reduction of share capital by ₹ 650 crore on December 12, 2019 with Hon'ble National Company Law Tribunal ('NCLT'). Hon'ble NCLT, Chennai Branch passed order on February 04, 2021 approving the reduction of share capital and had given time of 30 days to effect the reduction. However the shareholders of IDFC FHCL passed a special resolution in the Extra Ordinary General Meeting held on March 2, 2021 to not give effect to the said capital reduction. Based on the legal advice obtained, IDFC FHCL has communicated its decision of not being able to comply to the NCLT order to the Registrar of companies ("ROC") vide MGT-14 dated March 02, 2021 and to NCLT vide their letter dated March 02, 2021. No communication has been received by FHCL from ROC or NCLT upto the date of approval of these financial statements.

(ii) Reserve Bank of India ("RBI") has, vide its letter No.DOR..HOL.No.SUO- 75590/16.01.146/2021- 22 dated July 20, 2021, clarified that after the expiry of lock- in period of 5 years, IDFC Limited can exit as the promoter of IDFC FIRST Bank Limited. Since the five years of lock- in period is completed, IDFC Financial Holding Company Limited ('IDFC FHCL') had written letters to IDFC FIRST Bank Limited ("IDFC FIRST Bank") with respect to Unlocking Value for shareholders of the Company. The Board of Directors of IDFC FIRST Bank at their meeting held on December 30, 2021 has confirmed that they are "In- principle" in favour of Merger of 'IDFC' and 'IDFC FHCL' with 'IDFC FIRST Bank'. The said corporate restructuring activity shall be subject to approval by the Board of Directors of entities involved, shareholders, creditors and other necessary statutory / regulatory approvals.

(iii) The Board of Directors of the Holding Company and IDFC FHCL at their respective meetings held on April 06, 2022, have inter alia considered binding bids received in connection with divestment of IDFC Asset Management Company Limited ('IDFC AMC') along with IDFC AMC Trustee Company Limited ('IDFC AMC Trustee') and have approved sale of the entire shareholding of IDFC AMC and IDFC AMC Trustee held by the Company to a consortium comprising of Bandhan Financial Holding Limited, Lathe Investment Pte. Ltd. (affiliate of GIC), Tangerine Investments Limited, Infinity Partners (affiliates of ChrysCapital) ('Proposed Transaction'). The consideration for the Proposed Transaction is ₹ 4,500 crores on a fully diluted basis and subject to customary price adjustments at the closure.

The Proposed Transaction will be completed upon receipt of requisite regulatory and other approvals, as applicable, and completion of closing related actions mutually agreed between the parties.

It is highly probable that the said sale transaction will be completed in the next 12 months. Accordingly the investment in IDFC AMC and IDFC AMC Trustee along with their subsidiaries IDFC IEH Conservative Fund, IDFC Investment Managers (Mauritius) Limited and India Multi - Avenues Fund Limited are classified as assets held for sale as on March 31, 2022.

Figures for the year ended March 31, 2022 include ₹ 170.99 crore as net profit from discontinued operations pertaining to these entities.

(e) IDFC FIRST Bank Limited:

(i) Outbreak of COVID-19 pandemic resulted into nation-wide lockdown in March 2020 which had substantially impacted the economic activities. Subsequently in financial year 2020-21, the national lockdown was lifted by the government, but regional lockdowns continue to be implemented in areas with a significant number of COVID-19 cases. Further, in the current financial year, India witnessed two more waves of the Covid-19 pandemic which also led to the re-imposition of localised/regional lock-down measures in various parts of the country which were subsequently lifted.

Currently, while the number of new COVID19 cases have reduced significantly and the restrictions have been eased by the Government, the extent to which the COVID-19 pandemic, including the future subsequent waves, if any, may impact the Bank's operations and asset quality will depend on future developments. The Bank's capital and liquidity position is strong and would continue to be the focus area for the Bank during this period.

(ii) In accordance with Resolution Framework for COVID-19 announced by the RBI on August 6, 2020, IDFC FIRST Bank has implemented a One-Time Restructuring (OTR) for certain eligible borrowers. The Bank has classified such loans in Stage 3 as at March 31, 2022. Similarly, OTR cases which are restructured based on Resolution Framework 2.0 announced by the RBI on May 5, 2021 are also classified as stage 3 assets.

(iii) During the quarter ended June 30, 2021, the Bank raised additional capital aggregating to ₹ 3,000 crore (rounded off) to qualified institutional buyers through issuance of 523,103,660 equity shares, fully paid-up, at the price of ₹ 57.35/- per equity share (including a premium of ₹ 47.35/- per equity share.

(iv) As per the Master Direction on Financial Statements - Presentation and Disclosures issued by the RBI dated August 30, 2021, provision/(write-back)of mark-to-market depreciation on investments in AFS and HFT categories (net) are classified under "Total Income" from quarter ended September 30, 2021. Hitherto, the Bank was classifying such provisions/(write-back) under "Provisions and Contingencies". Further, the provision on Non-Performing Investments (NPIs) and Identified Investments continues to be shown under Provisions and Contingencies. Previous period figures have been reclassified accordingly in line with this presentation. There is no impact of this change on net profit / loss (refer table below).

(₹ in crore)

	Year ended March 31, 2021
Total Income - As reported	8,482.62
Reclassification impact on account of mark-to-market depreciation on investments in AFS and HFT categories	(42.37)
Total Income - As per reclassification	8,440.25

(f) Liqudated entites:

(i) On October 31, 2019 Monetary Authority of Singapore ('MAS') cancelled the Capital Market Services ('CMS') license issued to IDFC Capital (Singapore) Pte. Ltd., WOS of IDFC Alternatives Limited. The liquidation of IDFC Capital (Singapore) Pte. was completed on November 20, 2020 and Liquidation returns have been filed with Accounting and Corporate Regulatory Authority "ACRA" on November 23, 2020 and since then IDFC Capital (Singapore) Pte. ceased to be a subsidiary of the Group.

(ii) The Board of Directors of IDFC Asset management Company Limited ('the Investment Manager') had approved the winding up of IDFC IEH Tactical Fund, subsidiary of IDFC Asset Management Company Limited, vide its meeting dated October 30, 2020. Approval from the investors holding more than 75% in the value was received by the Board of Directors of IDFC Asset Management Company Limited on February 16, 2021. All the assets of IDFC IEH Tactical Fund were liquidated by March 16, 2021 and paid to investors. Hence with effect from March 16, 2021, IEH Tactical Fund has ceased to be subsidiary of the Group.

41. CAPITAL MANAGEMENT

The capital structure of the Group is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. The Group consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. The Group policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and continue as a going concern entity.

The Group manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.

The management monitors the return on capital as well as the level of dividends to the shareholders. The Group's goal is to continue to be able to provide return to the shareholders by continuing to distribute dividends in future period.

42. 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 crore)

	As at March 31, 2022			As at March 31, 2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial assets						
Cash and cash equivalents	286.47	-	286.47	42.11	-	42.11
Bank balance other than cash and cash equivalents above	1.55	-	1.55	23.38	-	23.38
Derivative financial instruments	-	-	-	0.54	-	0.54
Receivables						
(I) Trade receivables	-	-	-	12.71	-	12.71
(II) Other receivables	2.01	-	2.01	0.05	-	0.05
Investments	-	7,702.47	7,702.47	348.30	7,037.49	7,385.79
Other financial assets	1.15	-	1.15	3.52	8.38	11.90
Non-financial assets						
Income tax assets (Net)	-	18.98	18.98	-	26.29	26.29
Deferred tax assets (Net)	-	-	-	-	10.34	10.34
Property, plant and equipment	-	0.17	0.17	-	16.05	16.05
Intangible assets under development	-	-	-	-	34.27	34.27
Investment Property	-	-	-	-	-	-
Goodwill	-	-	-	-	779.17	779.17
Other intangible assets	-	-	-	-	4.56	4.56
Other non-financial assets	0.29	-	0.29	23.66	-	23.66
Disposal group held for sale	1,151.01	-	1,151.01	-	-	-
Total assets	1,442.48	7,721.62	9,164.10	454.27	7,916.55	8,370.82
Financial liabilities						
Payables						
(I) Trade payables						
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	0.04	-	0.04
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-	12.66	-	12.66
(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	4.53	-	4.53	3.08	-	3.08
Lease liabilities	-	-	-	9.53	27.99	37.52
Other financial liabilities	3.25	-	3.25	36.01	2.81	38.82
Non-financial Liabilities						
Income tax liabilities (Net)	-	-	-	14.60	-	14.60
Deferred tax liabilities (Net)	-	18.08	18.08	-	8.33	8.33
Provisions	-	-	-	1.76	0.21	1.97
Other non-financial liabilities	1.36	-	1.36	21.36	17.56	38.92
Disposal group held for sale	210.24	-	210.24	-	-	-
Total liabilities	219.38	18.08	237.46	99.04	56.90	155.94
Net	1,223.10	7,703.54	8,926.64	355.23	7,859.65	8,214.88

43. FAIR VALUE MEASUREMENT

a) Financial Instruments by Category

The following table provides categorization of all financial instruments at carrying value except investments in joint venture and associates which are carried at cost.

(₹ in crore)

As at March 31, 2022	At FVTPL	At FVOCI	Amortised Cost
Financial Assets			
Investments			
- Venture capital fund units / AIF's	301.26	-	-
Cash and Cash Equivalents	-	-	286.47
Bank balances other than cash and cash equivalents	-	-	1.55
Trade receivables	-	-	2.01
Other financial assets	-	-	1.15
Total financial assets	301.26	-	291.18
Financial Liabilities			
Other payables	-	-	4.53
Other financial liabilities	-	-	3.25
Total financial liabilities	-	-	7.78

As at March 31, 2021	At FVTPL	At FVOCI	Amortised Cost
Financial Assets			
Investments			
- Mutual fund units#	348.30	-	-
- Venture capital fund units / AIF's	197.85	-	-
- Equity instruments*	21.56	0.05	-
- Trustee units	0.01	-	-
Derivative financial assets	0.54	-	-
Cash and Cash Equivalents	-	-	42.11
Bank balances other than cash and cash equivalents	-	-	23.38
Trade receivables	-	-	12.76
Other financial assets	-	-	11.90
Total financial assets	568.26	0.05	90.15
Financial Liabilities			
Derivative financial liabilities	-	-	-
Trade payables	-	-	12.70
Other payables	-	-	3.08
Lease liabilities	-	-	37.52
Other financial liabilities	-	-	38.82
Total financial liabilities	-	-	92.12

Includes ₹ 8.63 crores pertaining to IDFC Foundation held for specified purposes.

* The equity securities which are not held for trading, and for which the Group has made an irrevocable election at initial recognition to recognise changes in fair value through OCI rather than profit or loss as these are strategic investments and the Group considered this to be more relevant.

b) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

As at March 31, 2022 (In ₹ crore)

Assets and liabilities measured at fair value - recurring fair value measurements	Note	Level 1	Level 2	Level 3	Total
Financial assets					
Financial Investments at FVTPL	6	-	-	301.26	301.26
- Venture capital fund units / AIF's					
Total financial assets		-	-	301.26	301.26

As at March 31, 2021 (In ₹ crore)

Assets and liabilities measured at fair value - recurring fair value measurements	Note	Level 1	Level 2	Level 3	Total
Financial assets					
Financial Investments at FVTPL	6				
- Mutual fund units		-	348.30	-	348.30
- Venture capital fund units / AIF's		-	-	197.85	197.85
- Equity shares		15.55	6.01	-	21.56
- Trustee Units		0.01	-	-	0.01
Financial Investments at FVOCI	6				
- Equity shares		-	0.05	-	0.05
Derivative not designated as hedge					
- Equity / Index option contracts	13	0.54	-	-	0.54
Total financial assets		16.10	354.36	197.85	568.31

i) There are no transfers between levels 1, 2 and 3 during the year.

ii) The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

The Group uses the following hierarchy for determining and disclosing the fair value of financial assets by valuation technique:

The fair value of financial instruments are classified into three categories i.e. Level 1, 2 or 3 depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active market for identical assets or liabilities (level 1 measurements) and lowest priority to unobservable inputs (level 3 measurements).

The hierarchies used are as follows:

Level 1: Hierarchy includes financial instruments measured using quoted prices in an active market.

Level 2: The fair value of financial instruments that are not traded in an active market (such as mutual fund units) is determined using observable market data and not the entity specific estimates. These investments are valued at closing Net Asset Value (NAV), which represents the repurchase price at which the issuer will redeem the units from investors. Since all significant inputs required to fair value an instrument are observable, the investments are included in Level 2.

Level 3: Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

c) Specific valuation techniques used to value financial instruments include:

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 (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique.

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices for listed equity instruments, future contracts and option contracts.
- the fair value of the mutual fund units is determined using observable NAV at the reporting date as declared by the issuer.
- the fair value of the venture capital units is determined using NAV at the reporting date as declared by the issuer. ^
- the fair values of derivative instruments are valued at the settlement price provided by the respective stock exchange.
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis, market comparable method and based on recent transactions.

^ Considering the illiquidity discount, the Group has provided for additional diminution over and above the NAV communicated by the VCFs in order to appropriately reflect the fair value as on March 31, 2022. During the year ended March 31, 2021 with respect to the Covid-19 pandemic and the stress in various sectors of the economy the Group had taken appropriate haircuts and provided for an additional diminution over and above the NAV communicated by the VCFs in order to appropriately reflect the fair value as on March 31, 2021.

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

d) Valuation Process

In order to assess Level 3 valuations as per Group's investment policy, the management relies on the NAVs issued by the VCF's.

The finance team performs the above process and reports directly to the Chief Financial Officer (CFO) of the Group. Discussions of valuation processes and results are held between the finance team and CFO on reguar basis. Investment valuation is placed before the members of the board at least once every three months which is in line with the Group's quarterly reporting periods.

e) Fair value of financial assets and liabilities measured at amortised cost

For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts are a reasonable approximation of their fair value. Such instruments include, cash and bank balances, bank deposits, trade and other receivables, other financial assets, trade and other payables, and other financial liabilities.

f) Fair value measurement using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the years ended March 31, 2022 and March 31, 2021:

(In ₹ crore)

	Venture capital units	Total
As at March 31, 2020	166.39	166.39
Acquisitions (net)	16.07	16.07
Gains/(losses) recognised profit and loss	15.39	15.39
As at March 31, 2021	197.85	197.85
Acquisitions (net)	28.84	28.84
Gains/(losses) recognised profit and loss	74.57	74.57
As at March 31, 2022	301.26	301.26

g) Valuation inputs and relationships to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements. See (b) above for the valuation techniques adopted.

	Fair value as at March 31, 2022	Fair value as at March 31, 2021	Significant unobservable inputs*	Probability-weighted range	Sensitivity
Venture Capital Funds	301.26	197.85	Net asset Value	10%	Whilst these investments are not traded on any market, they are exposed to price risk in respect of their underlying investments. 10% is the sensitivity rate used when reporting price risk internally to key management's assessment of the possible net change in underlying prices. A 10% increase / (decrease) in the net asset value would increase/ (decrease) in the Groups' gain / (loss) by ₹ 22.55 crore (March 31, 2021 : ₹ 14.81 crore)

44. FINANCIAL RISK MANAGEMENT

44.1 Introduction

Risk management is an integral part of the business practices of the Group. The framework of risk management concentrates on formalising a system to deal with the most relevant risks, building on existing management practices, knowledge and structures. The process of risk management is paramount to the Group and each employee is accountable for risks relating to his/her responsibilities. The key risk management tenets adopted by the Group includes maker-checker principle and three levels of defence (first level - employee, second level - risk team, third level - internal audit). The Group is exposed to credit risk, interest rate risk, liquidity risk, price risk and operations risk through its business operations.

44.2 Risk management structure

The Group has set up a robust risk governance framework based on the following key principles:

- The Board has ultimate responsibility for the Group's risk management framework. The board is principally responsible for approving the Group's risk related strategies and policies.
- To ensure that the Group has appropriate system of risk management and internal controls in place, the board has established a risk committee. The risk committee assists the board in relation to the oversight and review of the Group's risk management principles and policies, strategies, appetite, processes and controls. The risk committee has direct access to the Group's management and has open communication with them.

- Policies, processes and systems are put in place for effective risk management.
- The Group's Resources team is primarily responsible for funding and liquidity risks and is guided by the asset liability management policy. The market risks of the Group are supervised by the asset liability committee.
- The Business team monitors project assets on regular basis and highlights pending compliances to senior management on quarterly basis. It also conducts annual site visits and monitors financial covenants.
- Annual review of financial and operational performance of projects and their re-rating is conducted by the risk team.
- Risk management processes are also audited half yearly by internal audit and findings and recommendations are provided to the audit committee.

44.3 Credit risk

Credit risk is the risk of suffering financial loss, should any of the Group's customers, clients or market counterparties fail to fulfil their contractual obligations to the Group. Credit risk arises mainly from cash and cash equivalents, deposits with banks, trade and other receivable, loans measured at amortised cost and investment measured at FVTPL.

a) Expected credit loss methodology

Ind AS 109 outlines a 'three-stage' model for impairment based on changes in credit quality since initial recognition as summarised below:

- A financial instrument that is not credit-impaired on initial recognition is classified in 'Stage 1' and has its credit risk continuously monitored by the Group.
- If a significant increase in credit risk ('SICR') since initial recognition is identified, the financial instrument is moved to 'Stage 2' but is not yet deemed to be credit-impaired. Refer note 44(b)(i) below for a description of how the Group determines when a significant increase in credit risk has occurred.
- If the financial instrument is credit-impaired, the financial instrument is then moved to 'Stage 3'. Refer note 44(b)(i) below for a description of how the Group defines credit-impaired and default.
- Financial instruments in Stage 1 have their ECL measured at an amount equal to the portion of lifetime expected credit losses that result from default events possible within the next 12 months. Instruments in Stages 2 or 3 have their ECL measured based on expected credit losses on a lifetime basis.
- A pervasive concept in measuring ECL in accordance with Ind AS 109 is that it should consider forward-looking information.

The following diagram summarises the impairment requirements under Ind AS 109:

Change in credit quality since initial recognition

Stage 1	**Stage 2**	**Stage 3**
(Initial recognition)	(Significant increase in credit risk since initial recognition)	(Credit-impaired assets)
12-month expected credit losses	**Lifetime expected credit losses**	**Lifetime expected credit losses**

i) Significant increase in credit risk (SICR)

The Group considers a financial instrument to have experienced a significant increase in credit risk when one or more of the quantitative, qualitative or backstop criteria have been met.

Quantitative criteria:

The borrower is more than 90 days past due on its contractual payments to be considered in default.

Qualitative criteria:

For all financial instruments held by the Group, if the borrower is on the watch list and/or the instrument meets one or more of the following criteria:

- Significant increase in credit spread
- Significant adverse changes in business, financial and/or economic conditions in which the borrower operates
- Actual or expected forbearance or restructuring
- Actual or expected significant adverse change in operating results of the borrower
- Significant change in collateral value (secured facilities only) which is expected to increase risk of default
- Early signs of cash flow/liquidity problems such as delay in servicing of trade creditors/loans

The assessment of SICR incorporates forward-looking information and is performed on a regular basis for all financial instruments held by the Group. In relation to financial instruments, where a watch list is used to monitor credit risk, this assessment is performed at the counterparty level and on a periodic basis. The criteria used to identify SICR are monitored and reviewed periodically for appropriateness by the risk committee.

ii) Policy for write-off of financial assets

All loans which in the opinion of management are not recoverable are written off. The Group may write off financial assets that are still subject to enforcement activity. The Group still seeks to recover amounts it is legally owed in full, but which have been written off due to no reasonable expectation of full recovery.

iii) Measuring ECL – Explanation of inputs, assumptions and estimation techniques

The Expected Credit Loss (ECL) is measured on either a 12-month (12M) or Lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. Expected credit losses are the discounted product of the probability of default (PD), exposure at default (EAD), and loss given default (LGD), defined as follows:

PD Estimation:

- "Probability of default" (PD) is defined as the probability of whether the borrowers will default on their obligations in the future.

- For Stage 1, 12 month PD are calculated.
- For Stage 2, Lifetime PD are calculated by considering the survival rate of the counterparty for the remaining maturity.
- For Stage 3, Lifetime PD is taken as 100%.

Exposure at default:

EAD is based on the amounts the Group expects to be owed at the time of default, over the next 12 months (12M EAD) or over the remaining lifetime (Lifetime EAD).

For the loan commitments, the exposure at default (EAD) is predicted by aggregating total unfunded credit exposure and applying a "credit conversion factor (CCF)" which considers any further amount that is expected to be lent under arrangement at the time of default. CCF denotes the probability of off-balance sheet exposure (i.e. loan commitment) becoming credit exposure shifting onto the balance sheet if the loan commitment is called.

Loss given default:

Loss Given Default (LGD) represents the Group's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and seniority of claim and availability of collateral or other credit support. LGD is expressed as a percentage loss per unit of exposure at the time of default (EAD). LGD is calculated on a 12-month or lifetime basis, where 12-month LGD is the percentage of loss expected to be made if the default occurs in the next 12 months and Lifetime LGD is the percentage of loss expected to be made if the default occurs over the remaining expected lifetime of the loan.

The 12-month and lifetime LGDs are determined based on the factors which impact the recoveries made post default. These vary by product type and security coverage.

In case of re-financing of operating road project, the Group enters into a tripartite agreement with the concessionaire and NHAI/any other project authority for ensuring a compulsory buyout with termination payments. The LGD for road project loans is taken as nil since the entire credit exposure arising out of loan agreement is secured by way of tripartite agreement with Government authorities.

ECL computation:

The ECL is determined by projecting the PD, LGD and EAD for each future month and for each individual exposure or collective segment. These three components are multiplied together and adjusted for the likelihood of survival (i.e. the exposure has not prepaid or defaulted in an earlier month).

There have been no significant changes in estimation techniques or significant assumptions made during the reporting period.

b) Credit risk exposure

i) The following table explains the changes in the loss allowance between the beginning and at the end of the annual period in loan commitments due to various factors:

	Stage 1 (12M ECL)	Stage 2 (Lifetime ECL)	Stage 3 (Lifetime ECL)	Total
Impairment allowance as at March 31, 2020	-	-	22.63	22.63
- arising during the year	-	-	-	-
- utilised / reversed	-	-	(22.63)	(22.63)
Impairment allowance as at March 31, 2021	-	-	-	-
- arising during the year	-	-	-	-
- utilised / reversed	-	-	-	-
Impairment allowance as at March 31, 2022	-	-	-	-

*Refer note 37 for details of financial guarantee provided to lenders of Jetpur Somnath Tollways Private Limited.

(ii) Trade and other receivables

Concentrations of credit risk with respect to trade and other receivables are limited, due to the customer base being limited. All trade receivables are reviewed and assessed for default on a individual basis. Historical experience of collecting receivables of the Group is supported by low level of past default and hence the credit risk is perceived to be low.

The following table explains the changes in the loss allowance on trade and other receivables between the beginning and at the end of the annual period due to various factors:

	(₹ in crore)
Loss allowance as at March 31, 2020	13.73
Add/(less): changes during the year	(7.83)
Loss allowance as at March 31, 2021	5.90
Add/(less): changes during the year	(5.90)
Loss allowance as at March 31, 2022	-

(iii) The following table contains an analysis of the credit risk exposure of security deposits for which an ECL allowance is recognised. The gross carrying amount of security deposit below also represents the Group's maximum exposure to credit risk on these assets.

As at March 31, 2021

	Risk rating	Lessor type	Exposure at default (₹ in crores)	Probability of default	Loss given default	Expected credit loss (₹ in crores)
Security Deposit	Stage 1 (12 month ECL)	Corporate	1.96	26.92%	45.00%	0.24
		Others	7.91	26.92%	65.00%	1.38
	Total		9.87			1.62

44.3.1 Other financial assets

The Group has credit risk exposure in cash and cash equivalents, deposits with banks, and other financial assets. Cash and cash equivalents and bank deposits are held with only high rated banks/financial institutions only, therefore credit risk is perceived to be low. The Group has no significant concentration of credit risk.

44.4 Liquidity risk

Liquidity risk is defined as the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Group might be unable to meet its payment obligations when they fall due as a result of mismatches in the timing of the cash flows under both normal and stress circumstances. To limit this risk, management has adopted a policy of managing assets with liquidity in mind and monitoring future cash flows. The Group has developed internal control processes for managing liquidity risk.

Prudent liquidity risk management implies maintaining sufficient cash and liquid investments. The Group maintains investments in highly marketable securities that are assumed to be easily liquidated in the event of an unforeseen interruption in cash flow.

The table below summarises the maturity profile of the undiscounted cash flows of the Group's financial liabilities balance sheet date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

(₹ in crore)

As at March 31, 2022	Within 12 months	More than 12 months	Total
Financial liabilities			
Trade payables	4.53	-	4.53
Other financial liabilities	3.25	-	3.25
Total undiscounted financial liabilities	7.78	-	7.78

As at March 31, 2021	Within 12 months	More than 12 months	Total
Financial liabilities			
Trade payables	15.78	-	15.78
Lease Liabilities	9.53	27.99	37.52
Other financial liabilities	36.01	2.81	38.82
Total undiscounted financial liabilities	61.32	30.80	92.12

44.5 Market Risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and prices.

44.5.1 Interest Rate Risk - Investment in debt oriented mutual fund

i) Exposure

The exposure of the Group towards interest rate changes arising from investment in following securities at the end of the reporting period are as follows:

(₹ in crore)

	As at March 31, 2022	As at March 31, 2021
Investment in debt oriented mutual funds	-	319.79
Total	-	319.79

ii) Sensitivity*

The Groups' investments in debt-oriented mutual funds are in highly rated schemes and financial institutions. The Group's objective is to invest in debt-oriented mutual fund scheme which further make investments in high quality debt and money market instruments.

The table summarises the impact of the increase/(decrease) of the benchmark on the Group's profit for the period. The analysis is based on the assumption that the relevant benchmark has increased by 100 bps or decreased by 100 bps with all other variables held constant, and that all the Group's investments moved in line with the benchmark.

	Impact on profit after tax	
	Year ended March 31, 2022	Year ended March 31, 2021
Benchmark: Increase 100 bps (previous year 100 bps)	-	2.31
Benchmark: Decrease 100 bps (previous year 100 bps)	-	(2.31)

* Group has made investments in various debt securities which are tracked to different benchmarks. The sensitivity analysis for these investments is performed with reference to their respective benchmarks.

The mutual fund has direct exposure to interest rate changes on the cash flows of its interest bearing assets. Due to these investments, the Group has indirect exposure to interest rate changes on Net Asset Value of mutual fund units.

44.5.2 Price risk

Price risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market prices caused by factor affecting all similar instruments traded in the market.

The price risk arises due to uncertainties about the future Net Asset Values (NAV)/market price of investments. To manage its price risk arising from investments, the Group diversifies its investment portfolio. Diversification is done in accordance with the guidelines set by the Group's-Risk Management Policies as approved by the Board of Directors.

The Group's exposer to the price risk arises from investment in equity instrument classified as FVTPL or FVOCI, investments in units of equity-oriented mutual funds, venture capital funds, debt securities and derivative contracts (i.e. equity options and futures) measured at FVTPL as at reporting date. The following table explains Group's exposure to price risk is as follows:

44.5.2.1 Exposure

(₹ in crore)

	As at March 31, 2022	As at March 31, 2021
Investment in equity instruments (at FVTPL)	-	21.56
Investment in equity instruments (at FVOCI)	-	0.05
Investment in equity-oriented mutual fund	-	28.51
Investment in venture capital fund units	301.26	197.85
Equity / Index option contracts	-	0.54
Total	301.26	248.51

44.5.2.2 Sensitivity

The table below summarises the impact of increases/decreases of the benchmark on the Group's equity and profit for the period:

	Impact on profit after tax[4]		Impact on OCI[4]	
	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2021
Investment in equity-oriented mutual fund units[1]				
- Increase 1% (previous year 1%)	-	0.20	-	-
- Decrease 1% (previous year 1%)	-	(0.20)	-	-
Investment in equity instruments including derivatives contracts (at FVTPL)[2]				
- Increase by 15% (previous year 15%)	-	2.49	-	-
- Decrease by 15% (previous year 15%)	-	(2.49)	-	-
Investment in venture capital fund units				
- Increase 10% (previous year 10%)	22.55	14.81	-	-
- Decrease 10% (previous year 10%)	(22.55)	(14.81)	-	-

(1) The Group has investments in equity oriented mutual funds which are tracked with different benchmarks. The sensitivity analysis for these investments is performed with reference to respective benchmarks.

(2) Investment in equity instruments (including derivatives) at FVTPL are tracked to BSE 200 Index or Nifty 50 Index. The analysis is based on the assumption that the BSE 200 Index or Nifty 50 has increased by 15% or decreased by 15% with all other variables held as constant, and that all the Group's investments moved in line with the index.

(3) Investment in equity instruments (at FVOCI) are tracked to NSE Small cap 100 Index. The analysis is based on the assumption that the NSE Small Cap 100 index has increased by 16% or decreased by 16% with all other variables held constant, and that all the Group's investments moved in line with the index.

(4) Profit for the period would increase/ (decrease) as a result of gains/(losses) on investments classified as at fair value through profit or loss. Other components of equity would increase/(decrease) as a result of gains/(losses) on investments classified as at fair value though other comprehensive income.

44.5.3 Foreign currency risk:

The Group does not have any foreign currency exposures in respect of financial assets and financial liabilities as at the balance sheet date. This mitigates the foreign currency risk exposure for the Group.

45 Employee share based payments

a) IDFC Limited - Employee stock option scheme (equity settled):

The Group has introduced IDFC Employee Stock Option Scheme to enable the employees of the all the Group companies participate in the future growth and financial success of the IDFC Group. The scheme is in compliance with the SEBI (Share Based Employee Benefits) Regulations, 2014. The ESOS provides for grant of stock options to employees [including employees of subsidiary companies and IDFC FIRST Bank Limited (an associate of the Company)] to acquire equity shares of the Company, that will vest in a graded manner and that are to be exercised within a specified period.

The fair value of options granted to the employees of the Group under the ESOS is recognised as an employee benefits expense with a corresponding increase in share option outstanding account under other equity. However, the fair value of options granted to the employees of associate of the Group is recognised as an increase in the investment in associate and a credit to share option outstanding account under other equity as per the Group share based payment guidance under Ind AS 102.

Options are granted under the plan carry no dividend or voting rights. When exercisable, each option is convertible into one ordinary equity share of the Company. The options granted will vest upon the completion of service condition as specified in scheme in graded manner. Vested options are exercisable for the period of five years after the vesting.

Set out below is a summary of options granted under the plan:

	Year ended March 31, 2022		Year ended March 31, 2021	
	Average exercise price	Number of options	Average exercise price	Number of options
Opening balance	56.82	10,604,778	61.64	13,281,418
Granted during the year	53.60	1,200,000	-	-
Exercised during the year	49.84	(77,626)	-	-
Forfeited during the year	89.21	(418,690)	80.94	(2,658,640)
Lapsed/expired during the year	55.44	(7,461,964)	48.77	(18,000)
Closing balance	55.11	3,846,498	56.82	10,604,778
Vested and exercisable	55.80	2,646,498	56.82	10,604,778
Unvested	53.60	1,200,000	-	-

The weighted average share price at the date of exercise of options exercised during the year ended March 31, 2022 was ₹ 49.84 (preceding year ₹ Nil).

Share options outstanding at the end of the year have the following expiry date and exercise prices:

Grant date	Expiry date	Exercise price	Outstanding as at March 31, 2022	Outstanding as at March 31, 2021
2-Sep-13	02-Sep-19 to 02-Sep-21	48.77	-	24,000
7-Aug-14	07-Aug-19 to 07-Aug-21	90.56	-	400,000
5-Oct-15	18-Apr-17 to 05-Oct-23	60.35	809,270	1,175,924
5-Feb-16	05-Feb-22 to 05-Feb-24	41.15	210,000	300,000
29-Apr-16	14-Jul-17 to 29-Apr-23	43.40	70,000	100,000
26-Jul-16	14-Jul-17 to 26-Jul-23	53.90	111,128	158,754
14-Sep-16	14-Sep-22 to 14-Sep-24	59.20	100,000	100,000
14-Mar-17	14-Mar-23 to 14-Mar-25	51.85	42,600	42,600
9-May-17	31-May-18 to 09-May-24	63.25	103,500	103,500
27-Apr-18	27-Apr-23	55.40	1,200,000	8,200,000
10-May-21	09-May-25	53.60	1,200,000	-
Total			3,846,498	10,604,778
Weighted average remaining contractual life of options outstanding at end of period			2.32	2.21

Fair value of options granted:

The fair value at grant date is determined using the Black Scholes Model which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

1,200,000 ESOPS were granted during the year ended March 31, 2022 (Preceding year: Nil).

The Assumptions used in the model are as follows:

(₹ in crore)

Sr. No.	Variables	Year ended March 31, 2022	Year ended March 31, 2021
1	Risk Free Interest Rate	4.71%	-
2	Expected Life	2.50	-
3	Expected Volatility	50.28%	-
4	Dividend Yield	0.00%	-
5	Price of the underlying share in market at the time of the option grant.(₹)	53.60	-

b) IDFC AMC - Employee stock option scheme (cash settled):

(i) IDFC Asset Management Company Limited ("IDFC AMC"), a subsidiary of IDFC group, introduced IDFC AMC Employee Stock Option Scheme, 2020 ("ESOS 2020") to enable the employees of IDFC AMC to participate in the future growth and financial success of the IDFC AMC. The scheme restricts the transferability of shares exercised by the employees. IDFC Financial Holding Company Limited (an immediate parent of IDFC AMC) will have right to buyback the shares from the employees as per the terms of the scheme. After applying the guidance under Ind AS 102 - Group share based payments, the said employee stock option scheme is classified as "Cash settled share based payments" in the consolidated financial statements of the Group.

Set out below is a summary of options granted under the plan:

	Year ended March 31, 2022		Year ended March 31, 2021	
	Average exercise price (₹)	Number of options	Average exercise price (₹)	Number of options
Opening balance	699.03	6,04,000	699.03	5,99,000
Granted during the year	1,279.63	27,500	699.03	19,000
Exercised during the year	-	-	-	-
Forfeited during the year	699.03	(29,500)	699.03	-14,000
Lapsed/expired during the year	-	-	-	-
Closing balance	725.55	6,02,000	699.03	6,04,000
Vested and exercisable	-	-	-	-

Share options outstanding at the end of the year have the following expiry date and exercise prices:

Grant date	Expiry date	Exercise price	Outstanding as at March 31, 2022	Outstanding as at March 31, 2021
January 01, 2020	01-Jan-28	699.03	555,500	585,000
April 1, 2020	01-Apr-28	699.03	7,500	7,500
October 1, 2020	01-Oct-28	699.03	11,500	11,500
September 1, 2021	01-Sep-28	1,186.06	17,500	-
December 1, 2021	01-Dec-28	1,443.37	10,000	-
Total			602,000	604,000
Weighted average remaining contractual life of options outstanding at end of period			5.86	6.78

(ii) IDFC Asset Management Company Limited ("IDFC AMC"), a subsidiary of IDFC group, introduced Employee Stock Option Scheme, 2017 ("ESOS - 2017") to enable the employees of IDFC AMC to participate in the future growth and financial success of the IDFC AMC. The scheme restricts the transferability of shares exercised by the employees. IDFC Financial Holding Company Limited (an immediate parent of IDFC AMC) will have right to buyback the shares from the employees as per the terms of the scheme. After applying the guidance under Ind AS 102 - Group share based payments, the said employee stock option scheme is classified as "Cash settled share based payments" in the consolidated financial statements of the Group.

Set out below is a summary of options granted under the plan:

	Year ended March 31, 2022		Year ended March 31, 2021	
	Average exercise price (₹)	Number of options*	Average exercise price (₹)	Number of options*
Opening balance	964.69	387,960	964.69	399,540
Granted during the year	-	-	-	-
Exercised during the year	964.69	(1,600)	964.69	(10,070)
Forfeited during the year	964.69	(20,680)	964.69	(1,510)
Lapsed/expired during the year	-	-	-	-
Closing balance	964.69	365,680	964.69	387,960
Vested and exercisable	964.69	365,680	964.69	377,960

* The outstanding number of options for ESOS - 2017 have been adjusted for the 1:10 stock split in December 2019.

Share options outstanding at the end of the year have the following expiry date and exercise prices:

Grant date	Expiry date	Exercise price	Outstanding as at March 31, 2022	Outstanding as at March 31, 2021
09-Sep-17	09-Sep-25	964.69	346,260	368,540
06-Nov-17	06-Nov-25	964.69	9,420	9,420
11-Apr-18	11-Apr-26	964.69	10,000	10,000
Total			365,680	387,960
Weighted average remaining contractual life of options outstanding at end of period			3.47	4.35

The fair value of the options was determined using the Black-Scholes model using the following inputs as at March 31, 2022:-

(i) Grant date - September 1, 2021

	As at March 31, 2022	As at March 31, 2021
Stock Price (₹)	1,680	-
Volatility	0.44	-
Riskfree Rate	0.06	-
Exercise Price (₹)	1,186	-
Time To Maturity (In Years)	4.92	-
Dividend yield	0.08	-
Option Fair Value	537	-

(ii) Grant date - December 1, 2021

	As at March 31, 2022	As at March 31, 2021
Stock Price (₹)	1,680	-
Volatility	0.44	-
Riskfree Rate	0.06	-
Exercise Price (₹)	1,443	-
Time To Maturity (In Years)	5.17	-
Dividend yield	0.08	-
Option Fair Value	464	-

(iii) Grant date - April 1, 2020

	As at March 31, 2022	As at March 31, 2021
Stock Price (₹)	1,680	1,107
Volatility	0.46	0.48
Riskfree Rate	0.06	0.06
Exercise Price (₹)	699	699
Time To Maturity (In Years)	3.51	4.51
Dividend yield	0.08	0.11
Option Fair Value	780	299

(iv) Grant date - October 1, 2020

	As at March 31, 2022	As at March 31, 2021
Stock Price (₹)	1,680	1,107
Volatility	0.45	0.48
Riskfree Rate	0.06	0.06
Exercise Price (₹)	699	699
Time To Maturity (In Years)	4.01	5.01
Dividend yield	0.08	0.11
Option Fair Value	758	289

c) IDFC FIRST Bank Limited - Employee stock option scheme (equity settled)

IDFC FIRST Bank Limited (earlier known as IDFC Bank Limited), an associate of the Group, got demerged from the IDFC Limited under the sanctioned scheme of arrangement in October 2015. Pursuant to Scheme of Demerger, IDFC FIRST Bank Limited has allotted certain employee stock option over its shares to the employees of the IDFC Group. The employee share based payments arrangement between the Group and its associate is outside the scope of Ind AS 102 - Group share based payment arrangement, as associate is not a part of the same group. However, under Ind AS 8, the Group has taken a policy choice to account the said employee share based payments arrangement as per the provisions of Ind AS 102.

Applying Ind AS 102 - Group share based payments arrangement guidance, the fair value of options granted to the employees of the Group is recognised as an employee benefits expense with a corresponding decrease in investment in associate.

d) Expense arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised in profit or loss as part of employee benefit expense were as follows:

(₹ in crore)

	Year ended March 31, 2022	Year ended March 31, 2021
IDFC Limited - Employee stock option scheme (equity settled)	2.01	-
IDFC FIRST Bank Limited - Employee stock option scheme (equity settled)	(0.47)	(0.28)
Total	1.54	(0.28)

46. INTEREST IN OTHER ENTITIES

a) Subsidiaries

The Group's subsidiaries at March 31, 2022 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group.

Name of entity	Principal activities	Place of incorporation and principle business	Ownership interest held by Group (%)		Ownership interest held by non-controlling interests (%)	
			As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
IDFC Alternatives Limited	Non going concern	India	100%	100%	-	-
IDFC AMC Trustee Company Limited #	Trusteeship services	India	100%	100%	-	-
IDFC Asset Management Company Limited * #	Asset management services	India	99.96%	99.96%	0.04%	0.04%
IDFC Projects Limited	Non going concern	India	100%	100%	-	-
IDFC Trustee Company Limited	Non going concern	India	100%	100%	-	-
IDFC Financial Holding Company Limited	Non operating NBFC	India	100%	100%	-	-
IDFC Investment Managers (Mauritius) Limited	Asset management services	Mauritius	99.96%	99.96%	0.04%	0.04%
IDFC IEH Conservative Fund #	AIF Category III Fund	India	69.54%	91.60%	30.46%	8.40%
India Multi Avenues Fund Limited #	Investing	India	99.96%	99.96%	0.04%	0.04%
IDFC Foundation**	Not-for-profit organization	India	100%	100%	-	-

* IDFC Asset Management Company Limited ("IDFC AMC") launched Employee Stock Option Scheme - ESOS 2017 and ESOS 2020. Maximum aggregate number of employee stock options that may be awarded under both schemes combined are 5% of outstanding issued equity shares of IDFC AMC. In current year there was a employee who was granted 1,600 shares and the same were exercised (preceding year 10,070 shares were exercised). Since 100% equity is not held by the Group, IDFC AMC is not considered as 'wholly owned subsidiary".

** The subsidiary is limited by shares formed under Section 25 of the Companies Act, 1956, now section 8 of the Companies Act, 2013. No dividend can be proposed and paid to the shareholders by these companies. In the event of winding up or dissolution of these companies, after the satisfaction of all its debts and liabilities, any property whatsoever shall be given or transferred to some other institution(s) having object similar to the objects of these companies, to be determined by the members of the these companies at or before the time of dissolution or in default thereof by the High Court. The carrying amount of the assets and liabilities included within the consolidated financial statements to which these restrictions apply is ₹ 11.71 crores (March 31, 2021: ₹ 45.98 Crores).

Investments are classified as Held for Sale.

(i) Significant judgement: Consolidation of IDFC Foundation

Under Ind AS 110, an investor controls an investee if it has power over investee, exposure to variable return and an ability to use its power to affect investee's returns. IDFC Foundation is wholly owned subsidiary of IDFC Limited. The variable returns under Ind AS do not need to be financial in nature, it can be either in the form of synergistic benefits or enhanced reputation. Since IDFC Foundation's CSR activities are promoted in the name of IDFC Group under Ind AS 110, it can reasonably help IDFC Group to developed its reputation and get synergistic benefits out of it.

b) Interest in associates and joint ventures

Set out below are the associates and joint ventures of the group as at March 31, 2022 which, in the opinion of the directors, are material to the group. The entities listed below have share capital consisting solely of equity shares, which are held directly by the group.

Name of entity	% of ownership interest	Relationship	Accounting Method	Quoted fair value		Carrying value	
				As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
IDFC First Bank Limited (Refer note (i) below)	36.49%	Associate	Equity Method	9,007.68	12,637.98	7,401.21	6,712.72
Novopay Solutions Private Limited#	23.83%	Associate	Equity Method	- *	- *	-	-
Jetpur Somnath Tollways Private Limited#	26.00%	Associate	Equity Method	- *	- *	-	-
Delhi Integrated Multi - Modal Transit System Limited ^	50.00%	Joint Venture	Equity Method	- *	- *	-	60.30
Infrastructure Development Corporation (Karnataka) Limited ("iDeck") ^	49.49%	Joint Venture	Equity Method	- *	- *	-	45.30
Total equity accounted investments				9,007.68	12,637.98	7,401.21	6,818.32

Amount in the associate is impaired and stands at Nil value

* Note: Unlisted entity - no quoted price available

^ Amount in the Joint Venture stands at Nil value as Group holds these investments through IDFC Foundation, section 8 Company, through which no repatriation can be done to the Group. IDFC Foundation has reclassified these investments as Held for sale as it wants to divest its holding with the consent of respective state government.

(i) For impairment assessment refer note 1 p) i) of accounting policies.

(ii) IDFC FIRST Bank Limited is taken on consolidated basis. It includes IDFC FIRST Bharat Limited (subsidiary) and Millennium City Expressways Private Limited (associate).

(iii) iDeck includes India PPP Capacity Building Trust, subsidiary of the iDeck.

i) **Commitments and contingent liabilities in respect of associates and joint ventures**

(In ₹ crore)

	As at March 31, 2022	As at March 31, 2021
Contingent liabilities – associates		
Derivative and non-fund based exposure	75,211.93	82,327.54
Income Tax	-	0.04
Claims against group not acknowledged as debts	-	15.26
Other Bank Guarantee	-	7.41
Total commitments and contingent liabilities	75,211.93	82,350.25

ii) **Summarised financial information for associates i.e. IDFC FIRST Bank Limited**

The tables below provide summarised financial information for those associates that are material to the group. The information disclosed reflects the amounts presented in the financial statements of the relevant associates and not IDFC Limited's share of those amounts. They have been amended to reflect adjustments made by the entity when using the equity method, including fair value adjustments made at the time of acquisition and modifications for differences in accounting policies.

(In ₹ crore)

Summarised balance sheet	IDFC FIRST Bank Limited	
	As at March 31, 2022	As at March 31, 2021
Financial assets	194,301.60	162,764.57
Financial liabilities	177,971.28	149,911.20
Net financial assets	16,330.32	12,853.37
Non-financial assets	6,306.32	6,029.79
Non-financial liabilities	2,244.77	1,727.97
Provisions	437.60	665.65
Net Non-financial Asset	3,623.95	3,636.17
Net Assets	19,954.27	16,489.54

(In ₹ crore)

Reconciliation to carrying amounts	IDFC FIRST Bank Limited	
	As at March 31, 2022	As at March 31, 2021
Opening Net Assets	16,489.54	15,037.00
Profit / (loss) during the year	20.01	(1,161.44)
Other comprehensive income for the year	348.13	558.68
Equity shares issued during the year (including share premium)	3,048.32	2,015.19
Other reserve movement	48.27	40.11
Closing net assets	19,954.27	16,489.54
Group's Share in %	36.49%	39.98%
Group's Share in ₹	7,281.31	6,592.52
Employee share based payment charge	-	0.02
Excess of purchase cost over proportionate net assets (for additional stake acquired during the year)	695.38	123.19
Change due to change in holding	(575.48)	(3.01)
Carrying Amount	7,401.21	6,712.72

(In ₹ crore)

Summarised statement of profit and loss	IDFC FIRST Bank Limited	
	As at March 31, 2022	As at March 31, 2021
Total Income	11,805.45	8,440.25
Profit / (loss) for the year	20.01	(1161.44)
Other comprehensive income	348.13	558.68
Total comprehensive income	368.14	(602.76)

(In ₹ crore)

Breakup of Other Comprehensive Income	IDFC FIRST Bank Limited	
	As at March 31, 2022	As at March 31, 2021
Other Comprehensive Income / (loss) to the extent not to be reclassified to Profit or Loss	50.70	(63.94)
Other Comprehensive Income/ (loss) to the extent that may be reclassified to Profit or Loss	297.43	622.62
Total Other Comprehensive Income/ (Loss)	348.13	558.68

iii) **Amount recognised in the statement of profit and loss**

(In ₹ crore)

	Year ended March 31, 2022	Year ended March 31, 2021
Share of profit / (loss) from associates	134.33	(241.42)
Share of loss from joint ventures *	(105.60)	(2.21)
Total share of profits / (loss) from associates and joint ventures	28.73	(243.63)

* Disclosed under profit/(loss) from discontinued operations

iv) **Unrecognized share of loss of an associate**

(In ₹ crore)

	As at March 31, 2022	As at March 31, 2021
Unrecognised share of loss of an associate:		
-Novopay Solutions Private Limited and Jetpur Somnath Tollways Private Limited		
Opening balance of unrecognised share of loss	(140.16)	(138.58)
Share in Profit/ (loss) during the period	(0.85)	(1.58)
Closing balance of unrecognised share of loss	(141.01)	(140.16)

The Group has absorbed the share of losses in Jetpur Somnath Tollways Private Limited only to the extent of its investment value. Investment in Novopay Solutions Private Limited is impaired and stands at Nil value

v) **Unrecognised share of loss of Joint Venture:**

(In ₹ crore)

	As at March 31, 2022	As at March 31, 2021
Unrecognised share of loss of Joint Venture:		
- Delhi Integrated Multi Modal Transit System Ltd. and Infrastructure Development Corporation Limited		
Opening balance of unrecognised share of loss	-	-
Reversal of profits of Joint Ventures till previous year	(105.60)	-
Share in Profit/ (loss) during the period	(12.56)	-
Closing balance of unrecognised share of loss	(118.16)	-

47. **DISCLOSURE OF ADDITIONAL INFORMATION PERTAINING TO THE PARENT, SUBSIDIARY AND JOINT VENTURE COMPANIES AS PER SCHEDULE III OF THE COMPANIES ACT, 2013 AS ON MARCH 31, 2022**

Name of the entity in the group	Net Assets, i.e., total assets minus total liabilities		Share in profit and loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	(In ₹ crore)	As % of consolidated profit or Loss	(In ₹ crore)	As % of consolidated other comprehensive Income	(In ₹ crore)	As % of consolidated total comprehensive income	(In ₹ crore)
Parent company								
IDFC Limited	104.01	9,284.77	34.13	21.95	(0.07)	(0.09)	11.38	21.86
Indian subsidiary companies								
IDFC Alternatives Limited	3.43	306.21	50.76	32.64	-	-	16.99	32.64
IDFC AMC Trustee Company Limited	0.01	0.47	0.21	0.13	0.00	0.00	0.07	0.13
IDFC Asset Management Company Limited	2.45	218.30	273.66	175.99	0.68	0.87	92.05	176.86
IDFC Projects Limited	(1.05)	(94.11)	(0.09)	(0.06)	-	-	(0.03)	(0.06)
IDFC Trustee Company Limited	0.01	0.52	(0.04)	(0.02)	-	-	(0.01)	(0.02)

Name of the entity in the group	Net Assets, i.e., total assets minus total liabilities		Share in profit and loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	(In ₹ crore)	As % of consolidated profit or Loss	(In ₹ crore)	As % of consolidated other comprehensive Income	(In ₹ crore)	As % of consolidated total comprehensive income	(In ₹ crore)
IDFC Financial Holding Company Limited	105.84	9,448.18	453.12	291.41	-	-	151.67	291.41
IDFC Foundation	0.13	11.71	(53.32)	(34.29)	0.02	0.02	(17.83)	(34.27)
India Multi Avenues Fund Limited	-	-	-	-	-	-	-	-
IDFC IEH Conservative fund	0.48	42.57	0.97	0.63	-	-	0.33	0.63
Foreign subsidiary companies								
IDFC Investment Managers (Mauritius) Limited	0.00	0.31	(0.83)	(0.53)	-	-	(0.28)	(0.53)
Indian associate companies								
IDFC FIRST Bank Limited (formerly known as IDFC Bank Limited)	82.91	7,401.21	11.35	7.30	99.37	127.03	69.90	134.33
Novopay Solutions Private Limited	-	-	-	-	-	-	-	-
Jetpur Somnath Tollways Private Limited	-	-	-	-	-	-	-	-
Joint venture company								
Delhi Integrated Multi - Modal Transit System Limited	-	-	(93.76)	(60.30)	-	-	(31.38)	(60.30)
Infrastructure Development Corporation (Karnataka) Limited ("iDeck")	-	-	(70.44)	(45.30)	-	-	(23.58)	(45.30)
Total (A)	298.22	26,620.14	605.72	389.55	100.00	127.83	269.28	517.38
a) Adjustment arising out of consolidation								
Intercompany Eliminations	(198.07)	(17,680.43)	(505.29)	(324.96)	-	-	(169.14)	(324.96)
b) Non-controlling interests								
- IDFC IEH Conservative Fund	(0.15)	(12.97)	(0.31)	(0.20)	-	-	(0.10)	(0.20)
- IDFC Asset Management Company Limited	(0.00)	(0.10)	(0.12)	(0.08)	-	-	(0.04)	(0.08)
Total (B)	(198.22)	(17,693.50)	(505.72)	(325.24)	-	-	(169.28)	(325.24)
Total (A) + (B)	100.00	8,926.64	100.00	64.31	100.00	127.83	100.00	192.14

47. DISCLOSURE OF ADDITIONAL INFORMATION PERTAINING TO THE PARENT, SUBSIDIARY AND JOINT VENTURE COMPANIES AS PER SCHEDULE III OF THE COMPANIES ACT, 2013 AS ON MARCH 31, 2021

Name of the entity in the group	Net Assets, i.e., total assets minus total liabilities		Share in profit and loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	(In ₹ crore)	As % of consolidated profit or Loss	(In ₹ crore)	As % of consolidated other comprehensive Income	(In ₹ crore)	As % of consolidated total comprehensive income	(In ₹ crore)
Parent company								
IDFC Limited	112.74	9,261.10	(2.67)	8.98	(0.05)	(0.11)	(7.88)	8.87
Indian subsidiary companies								
IDFC Alternatives Limited	3.33	273.57	(1.06)	3.57	-	-	(3.17)	3.57
IDFC AMC Trustee Company Limited	0.00	0.33	(0.02)	0.07	(0.00)	(0.01)	(0.06)	0.06
IDFC Asset Management Company Limited	4.62	379.49	(42.48)	143.03	0.44	0.99	(127.94)	144.02
IDFC Projects Limited	(1.14)	(94.05)	0.04	(0.13)	-	-	0.11	(0.13)
IDFC Securities Limited	-	-	1.13	(3.82)	-	-	3.39	(3.82)
IDFC Trustee Company Limited	0.01	0.54	0.01	(0.03)	-	-	0.03	(0.03)
IDFC Financial Holding Company Limited	111.47	9,156.77	(13.01)	43.80	-	-	(38.91)	43.80
IDFC Foundation	0.56	45.98	2.76	(9.30)	0.05	0.12	8.16	(9.18)
India Multi Avenues Fund Limited	(0.02)	(1.64)	0.07	(0.23)	-	-	0.20	(0.23)
IDFC IEH Conservative fund	0.38	31.62	0.16	(0.52)	-	-	0.47	(0.52)
IDFC IEH Tactical fund (upto March 16, 2021)	0.27	21.95	0.76	(2.57)	-	-	2.28	(2.57)
Foreign subsidiary companies								
IDFC Capital (Singapore) Pte Ltd	-	-	0.02	(0.06)	-	-	0.05	(0.06)
IDFC Capital (USA) Inc.	-	-	(0.01)	0.03	-	-	(0.02)	0.03
IDFC Securities Singapore Pte Ltd	-	-	0.04	(0.13)	-	-	0.12	(0.13)
IDFC Investment Managers (Mauritius) Limited	0.01	0.83	0.14	(0.46)	-	-	0.41	(0.46)
Indian associate companies								
IDFC FIRST Bank Limited (formerly known as IDFC Bank Limited)	81.71	6,712.42	137.90	(464.34)	99.64	223.34	214.09	(241.00)
Novopay Solutions Private Limited	-	-	0.13	(0.44)	-	-	0.39	(0.44)
Jetpur Somnath Tollways Private Limited	-	-	-	-	-	-	-	-
Joint venture company								
Delhi Integrated Multi - Modal Transit System Limited	0.73	60.30	(0.30)	1.02	(0.08)	(0.17)	(0.75)	0.85
Infrastructure Development Corporation (Karnataka) Limited ("iDeck")	0.55	45.30	0.91	(3.05)	0.00	0.01	2.70	(3.04)
Total (A)	315.22	25,894.51	84.52	(284.58)	100.00	224.17	53.67	(60.41)
a) Adjustment arising out of consolidation								
Intercompany Eliminations	(215.19)	(17,676.83)	15.69	(52.88)	-	-	46.97	(52.88)
b) Non-controlling interests								
- IDFC IEH Conservative Fund	(0.03)	(2.65)	(0.01)	0.04	-	-	(0.04)	0.04
- IDFC IEH Tactical Fund	-	-	(0.22)	0.74	-	-	(0.65)	0.74
- IDFC Asset Management Company Limited	(0.00)	(0.15)	0.02	(0.06)	-	-	0.05	(0.06)
Total (B)	(215.22)	(17,679.63)	15.48	(52.16)	-	-	46.33	(52.16)
Total (A) + (B)	100.00	8,214.88	100.00	(336.74)	100.00	224.17	100.00	(112.57)

48. RELATED PARTY TRANSACTIONS

a) Subsidiaries

Direct:

IDFC Foundation

IDFC Financial Holding Company Limited

IDFC Projects Limited

IDFC Alternatives Limited

IDFC Trustee Company Limited

Through subsidiaries:

IDFC Asset Management Company Limited

IDFC Securities Limited (upto June 10, 2020)

IDFC Capital (USA) Inc. (upto June 10, 2020)

IDFC Capital (Singapore) Pte. Ltd. (liquidated on February 23, 2021)

IDFC Investment Managers (Mauritius) Limited

IDFC Securities Singapore Pte. Limited (upto June 10, 2020)

IDFC AMC Trustee Company Limited

India Multi Avenues Fund Limited

IDFC IEH Tactical Fund (w.e.f February 16, 2019 and upto March 16, 2021)

IDFC IEH Conservative Fund

b) Joint ventures

Through subsidiaries:

Delhi Integrated Multi-Modal Transit System Limited

Infrastructure Development Corporation (Karnataka) Limited

India PPP Capacity Building Trust

c) Associates

Direct:

Novopay Solutions Private Limited

Through subsidiaries:

IDFC FIRST Bank Limited

IDFC FIRST Bharat Limited

Millennium City Expressways Private Limited

Jetpur Somnath Tollways Private Limited

d) Key management personnel

Mr. Sunil Kakar - Managing Director & CEO

Mr. Bipin Gemani - Chief Financial Officer

Mr. Vinod Rai - Independent director (upto May 24, 2021)

Mr. Vinod Rai -Non Independent director (wef May 25, 2021 upto September 22, 2021)

Mr. Soumyajit Ghosh - Nominee Director (upto March 25, 2021)

Mr. Anshuman Sharma - Nominee Director (upto March 25, 2021)

Ms. Ritu Anand - Independent director

Mr. Ajay Sondhi - Independent director

Ms. Anita Belani - Independent Director (w.e.f November 09, 2021)

Dr. Jaimini Bhagwati - Independent director (w.e.f. May 25, 2021)

Mr. Anil Singhvi - Independent director (w.e.f. May 25, 2021)

e) Key management personnel compensation

(In ₹ crore)

	Year ended March 31, 2022	Year ended March 31, 2021
Short-term employee benefit	5.48	7.16
Long-term employee benefit	0.62	0.62
Total	6.10	7.78

Sitting fees and Commission to directors has been disclosed as “Directors’ Sitting Fees” & “Commission to directors” under “other expenses” in note 30.

I) The nature and volume of transactions of the Group with the above mentioned related parties are as summarised below:

(In ₹ crore)

	Associates / JV's / Others 2022	Associates / JV's / Others 2021	Key Management Personnel 2022	Key Management Personnel 2021
INCOME				
Interest	0.34	8.13	-	-
Rental Income	-	2.36	-	-
Sitting fees received	0.04	0.03	-	-
EXPENDITURE				
Remuneration paid	-	-	6.10	7.78
Shared service cost	0.32	0.33	-	-
Lease rent	0.05	0.05	-	-
ASSETS / TRANSACTIONS				
Transfer of fixed assets	-	0.02	-	-
Current account balance	66.71	36.54	-	-
Fixed deposits placed	316.99	1,622.16	-	-
Fixed deposits matured	93.29	2,231.46	-	-
Fixed deposits - Balance outstanding	223.70	-	-	-
Interest accrued on deposits	0.14	-	-	-
Other receivables	0.02	-	-	-
Outstanding Preference investment	89.55	89.55	-	-
Outstanding Equity investment	8,462.93	8,462.93	-	-

49 The disclosure on the following matters required under Schedule III as amended on March 24, 2021 not being relevant or applicable in case of the Group, same are not covered:

(i) The Group has not traded or invested in crypto currency or virtual currency during the financial year.

(ii) No proceedings have been initiated or are pending against the Group for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(iii) The Group has not been declared willful defaulter by any bank or financial institution or government or any government authority.

(iv) No satisfaction of charges are pending to be filed with ROC.

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

(vi) The Group has entered into scheme of arrangement, details of which are disclosed in Note 1A. As approval from RD is still pending, no accounting impact has been given in current or previous financial year.

(vii) There have been no revaluation of Plant, Property and Equipment during the current year.

(viii) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the group (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(ix) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the group shall:

(a) 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

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(x) The Group has not advanced any loans or advances in the nature of loans to specified persons viz. promoters, directors, KMPs, related parties; which are repayable on demand or where the agreement does not specify any terms or period of repayment.

(xi) The Group has not entered into any transaction with Struck off Companies other than those stated below:

Name of struck off Company	Nature of transactions with struck-off Company	Balance outstanding (No.of shares as on March 31, 2022)
ARPITA TRADING	Shares held by struck off company	4,500
JALAN HOLDINGS PRIVATE LIMITED		1,500
SAFNA CONSULTANCY PVT LTD		500
YOGESH INVESTMENT PVT.LTD.		200
VINAYAK CONSULTING PRIVATE LIMITED		10
KOTHARI INTERGROUP LTD.		2
VAISHAK SHARES LIMITED		1
DREAMS BROKING PVT LTD		1

50 OTHER DISCLOSURES:

(i) The Group did not have any long term contracts including derivative contracts for which there are any material losses.

51 COVID IMPACT

The Group continues to closely monitor the situation and in response to this health crisis has implemented protocols and processes to execute its business continuity plans and help protect its employees and support its clients.

In lights of the Covid-19 outbreak and based on the information available upto the date of the approval of these Financial Statements, the Group has assessed its liquidity position for the next one year.

The Group has further assessed the recoverability and carrying value of its assets comprising of Property, Plant and Equipment and Investments as at March 31, 2022, and has concluded that there are no material adjustments required in the financial statements, other than those already considered. The Management has performed an analysis of the fair value of its unquoted and illiquid investments and the same has been considered in the financial result. The future direct and indirect impact of COVID-19 on the Group's business, results of operations, financial position and cash flows will be monitored by the Group. The Group will also continue to monitor any material changes to future economic conditions.

52 Previous year numbers have been regrouped / rearranged wherever necessary, in order to make them comparable.

For Khimji Kunverji & Co LLP
Chartered Accountants
Firm Registration No. 105146W/ W100621

Gautam V Shah
Partner
Membership Number: 117348

Mumbai, May 20, 2022

For and on behalf of the Board of Directors of
IDFC Limited
CIN: L65191TN1997PLC037415

Anil Singhvi
Independent Non-Executive Chairman
(DIN: 00239589)

Sunil Kakar
Managing Director & CEO
(DIN: 03055561)

Mahendra N. Shah
Company Secretary
(ACS: 4222)

Bipin Gemani
Chief Financial Officer
(PAN: AACPG6412A)