



*22 years of Success!*



ANNUAL REPORT : 2021-2022

# ANNUAL REPORT 2021-2022



## MANAGEMENT DISCUSSION

MESSAGE FROM THE MD & CEO

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## FINANCIAL REVIEW

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## MESSAGE FROM THE MD &amp; CEO

**Dhiraj Relli**

MD &amp; CEO, HDFC securities

# EMPOWERING INVESTORS NAVIGATE A VUCA MARKET

To say that global financial markets have seen a tumultuous few years would be a gross understatement. Despite a grim macro outlook in 2020, the stock markets flourished. The S&P 500 surged **16% in 2020, followed by 27% in 2021**. In the meantime, in India, the Sensex posted its highest returns since 2017, at **16% in 2020**, despite the pandemic. Both the Sensex and Nifty **closed at record highs** in October 2021.

However, bull markets don't last forever. Rising inflation, interest rate hikes, China's zero-Covid policy and the Ukraine-Russia conflict have hurt market sentiment. In early May 2022, the **Dow and Nasdaq** recorded their worst single-day declines since 2020. Closer to home, the **Sensex lost almost 5,000 points** between April and May 2022.

The Coronavirus has brought with it an increasingly uncertain environment. In fact, we are living in a VUCA world today (volatility, uncertainty, complexity, and ambiguity). Investors need powerful analytics to understand the markets and navigate the volatility. One thing the pandemic has taught us about the financial markets is that it doesn't necessarily reflect macro fundamentals.

Long-term investing is the key to achieving financial goals in this scenario. In addition, investors need to continuously relook and rebalance their portfolios in sync with the market trajectory. At HDFC securities, we are committed to empowering investors to navigate this VUCA world.



## Strong Focus on Research

No two market crises are alike. As we analyse the current market uncertainty and the resulting impact on investors, we have to identify which investments can offer better risk-reward potential. It is also important to help investors understand the cyclical nature of the markets and improve their resilience through these events. This is why we, at HDFC securities, are focusing our efforts on extensive research, so that our clients can benefit from the analyses.

**Sudden market volatility leads to apprehensions for investors regarding which assets they should trade in mid to long term. Economic and geopolitical factors can affect valuations and stock prices.**

The HDFC securities Research Team undertakes exhaustive technical and fundamental analysis to keep clients informed about market movements. With this, our clients can identify opportunities, decide on asset selection and enhance risk management. We also offer periodic reports on assets, with analysis and market commentary from our research team, along with detailed reports on companies (under coverage) after their quarterly results. Our aim is to provide investment ideas to clients, based on their investment style, future goals and risk profiles.

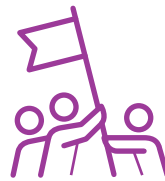


## Active Engagement through Digital Centres

Today's active retail investors are digital native. They have a different investment ethos than their predecessors and expect cutting-edge technologies to support their endeavours. It's important for them to be in control of their investing/trading decisions. The pandemic has accelerated financial digitalisation in daily lives, resulting in higher consumer expectations from fintech and BFSI firms. In fact, India boasts the highest fintech adoption in the world, at 87%.

**Keeping up with the changing landscape, HDFC securities has launched an aggressive digital expansion strategy, with plans to open 13 digital centres across India (out of which 10 are operational).**

To be able to attract and retain this new generation of investors, we need to focus on digital transformation in a way that eases the customer's entire trading lifecycle.



We have **600+** Relationship Managers mapped to our Digital Centres, most of whom belong to the **25-28 age group**.

These RMs are digital natives themselves and can speak the financial language of the current generation. They are also equipped with an extensive product and process training and have the skills to support customers through latest technology solutions. Armed with our curated offers (value plans, plans for women, millennials and senior citizens) for all type of investors and industry-best research, we believe our Digital Centres are perfectly poised for greater engagement and value addition for our customers.

Of the digital centres in the pipeline, 10 of them are already operating in Mumbai, Thane, Navi Mumbai, Noida, Nasik, Cochin, Ahmedabad, Kolkata, Jaipur and Indore while the remaining are gearing to be operational across various other identified places pan-India.



## Spreading our wings - B2B Channel

We have entered into the B2B business Sep'21 onwards and in FY 21-22 have

**successfully onboarded 5700+ Referral Partners**

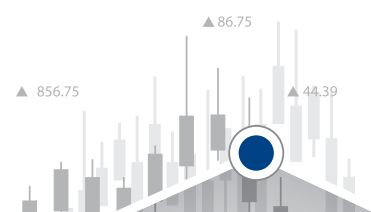
who are freelancers, students, brokers and influencers **700+ locations/towns**.

We are happy to share that **1400+ partners** have actively acquired **35K accounts** in FY 21-22.

Simultaneously, the team started working on launching partner portal to smoothen up the partner on-boarding experience and give them

access to a platform where they can view their performance, data analytics & incentives. We successfully launched this portal by the end of FY 21-22. This platform allows the prospective partner to on-board with us digitally within 10 minutes and have a wholesome experience thereon.

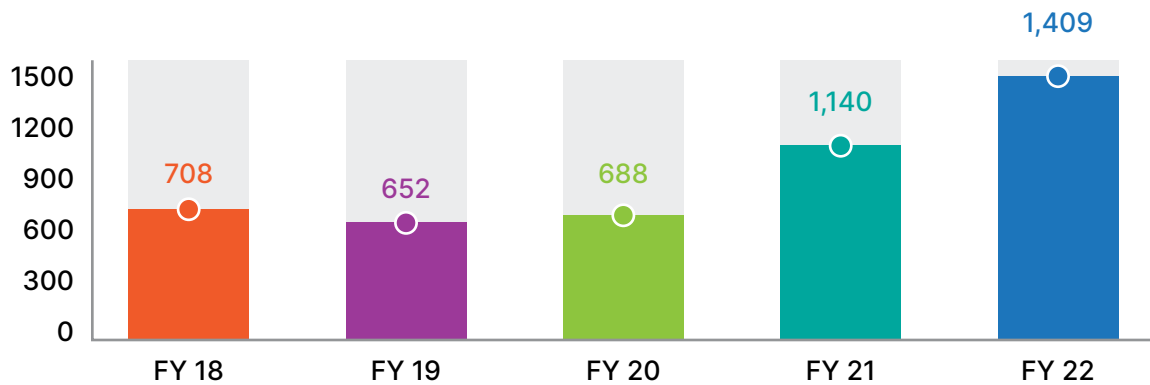
Further in FY 22-23, we look forward to enhancing the partner portal and giving our partners a world-class experience with us while strengthening our partner network pan-India. We simultaneously look forward to expanding our network in B2B through alliances and tie-ups with small finance banks, public sector banks, NBFCs, wealth management firms, family offices, big IFAs, research-based firms, RTAs and so on.



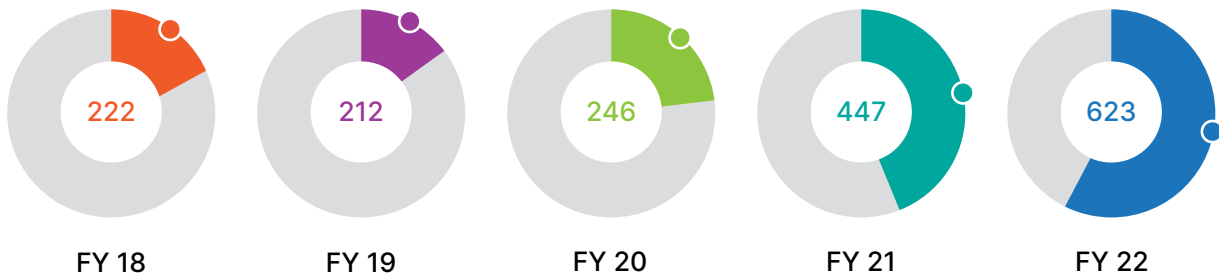


## KEY METRICS : 2021-2022

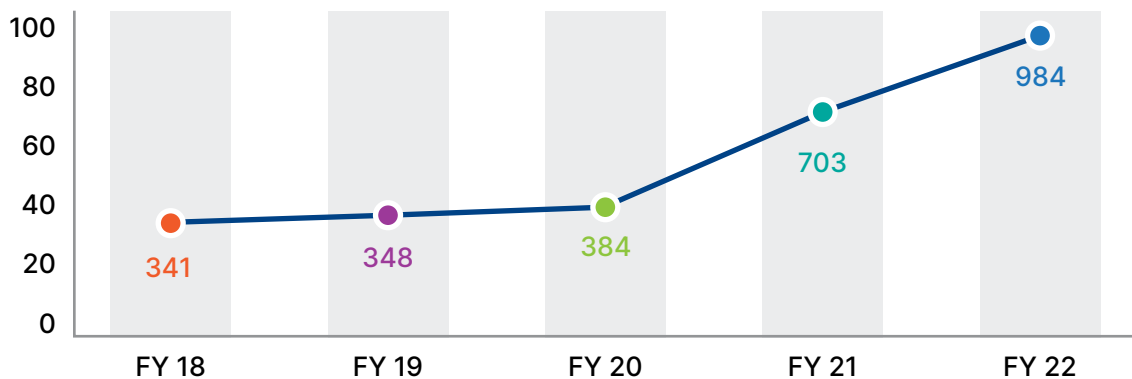
Brokerage and Fee Income (₹ in Cr.)



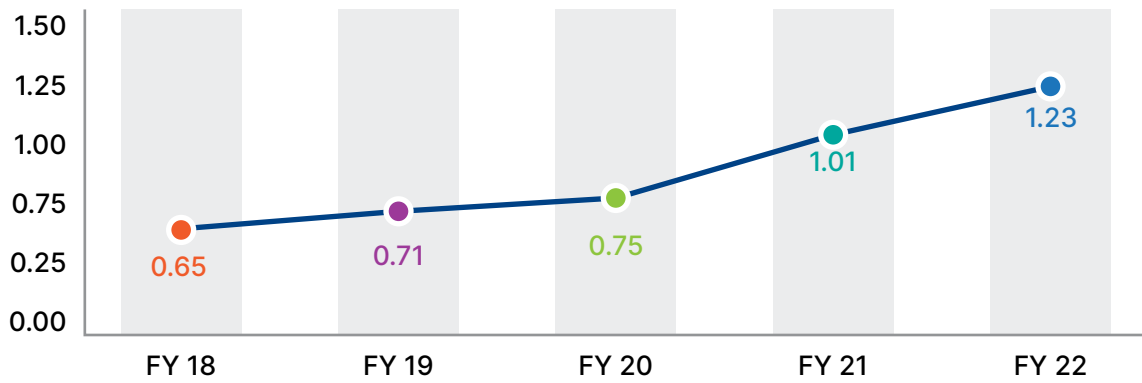
Earnings per share (In ₹)



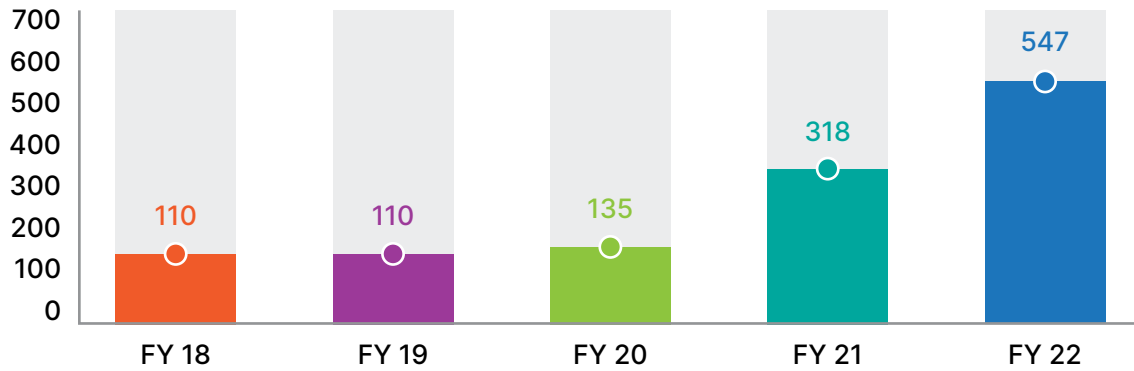
Profit after Tax (₹ in Cr.)



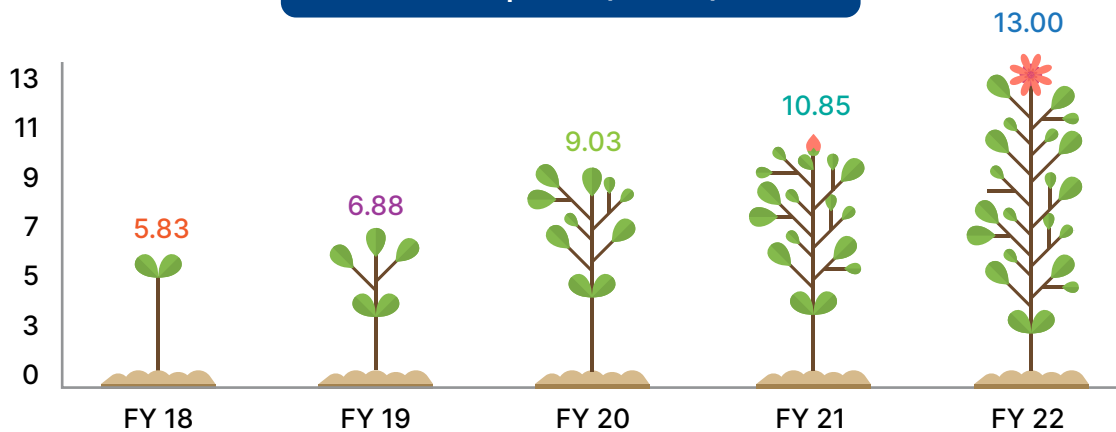
### Overall Active Clients (In Million)



### Dividend Per share (In ₹)



### CSR Spends (₹ in Cr.)



# FY 21-22 BUSINESS HIGHLIGHTS

**91%**

out of  
**1.2+ Million**  
active customers rely  
on HDFC securities'  
seamless digital  
services.



The company  
saw more than  
**1.2 Million  
(12.33 Lakh)**  
actively transacting  
customers in the  
FY 2021-22.

The company  
has a widespread  
distribution network with  
**200+ Branches**  
extended across  
**147 Cities** with  
**10 Digital Centers**  
in India.



HDFC securities  
generated  
**₹585.67 Cr**  
brokerage from  
the mobile application,  
**15% higher than** the  
previous year's aggregate  
**₹508.67 Cr.**

With a rise in  
customer base to  
**38.30 Lakh,**  
HDFC securities now  
caters its wide range of  
financial products to a  
**41%** larger crowd.



**26%**  
of the total workforce  
as of the end of  
FY 2022 has been  
working with the  
company for 5 or  
more years.



More than  
**85%**  
of the customers are  
**on-boarded through  
digital platforms.**

**1200+**  
**RMs**

For FY 2021-22  
**Total IPOs**  
**54**  
**Total Applications**  
**1.66 Crore**  
**Volume**  
**₹46388 Cr**

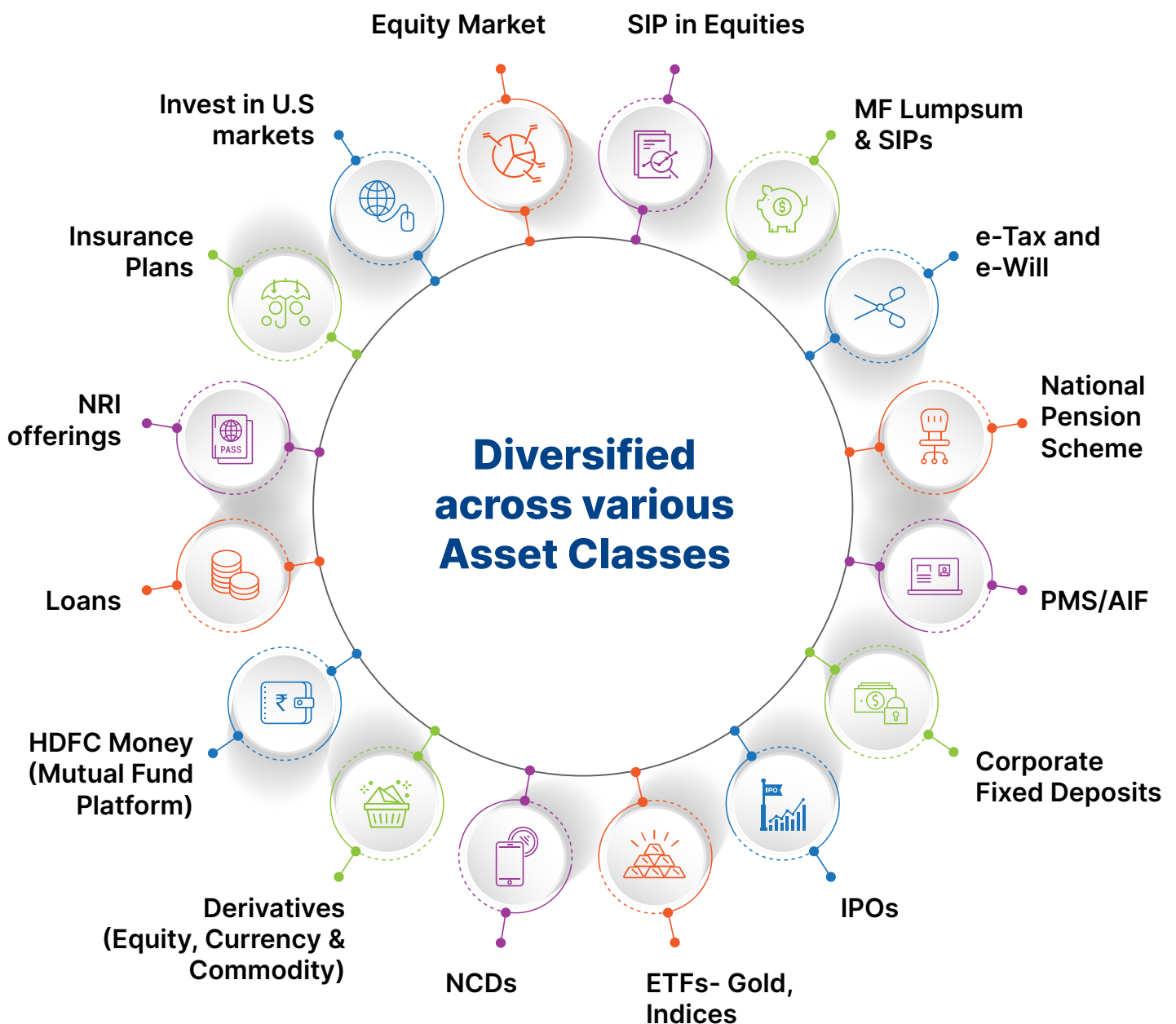
Revenue per  
employee rose to  
**₹68.54 Lakh,**  
**5% higher than**  
the previous year's  
₹65.49 Lakh.

**86%**  
of HDFC securities  
Total Brokerage  
originates from  
**digital sources.**

The average book  
size for the year under  
**Margin Trade Funding  
(MTF)** stood at ₹2,992 Cr,  
**higher by 221%**  
compared to previous financial  
year's ₹932 Cr. The book  
size as of 31st March 2022 is  
positioned at  
**₹3,288 Cr.**

# OUR FINANCIAL INSTRUMENTS – AT A GLANCE

HDFC securities offers investments and direct trading services through buying and selling of equities, along with currency derivatives, mutual funds, NCDs, fixed deposits, bonds, basket investing, global investing, PMS/AIF and more – to suit the diverse investment needs of Indians. With robust understanding of the personal finance space, HDFC securities specializes in asset allocation, portfolio structuring and realignment, and goal-based investing.



# DIGITAL CENTERS TO BOOST DIGITAL ADOPTION

Last financial year witnessed the opening of multiple digital centres in India to massively boost digital adoption for our customers. This announcement is a part of the company's commitment to empower its clients with the latest technological solutions to ease their trading journey, while helping them to take charge of their own investments.

Millions of new investors entered the stock market in the wake of the COVID-19 pandemic. This new generation of investors has a very different investment ethos than their predecessors. A large percentage of these traders are millennials and Gen Zers, who are not just tech savvy but are also digital natives.

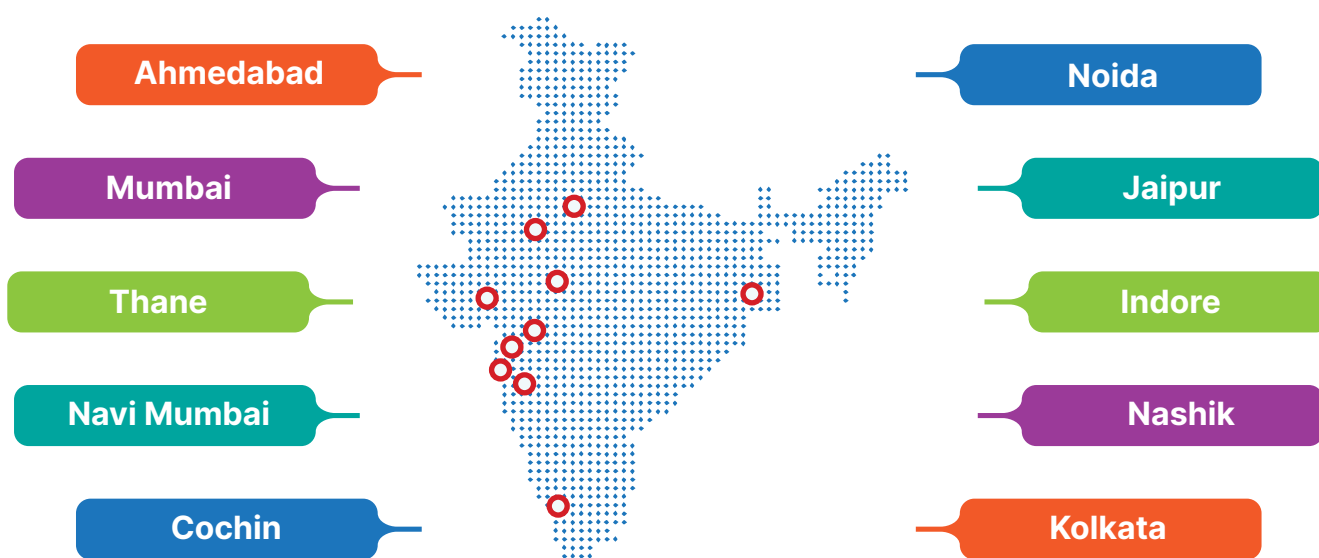
These digitally native investors want uninterrupted journeys with an ease of investing available at their fingertips. However, periodically, they also need some handholding in understanding the processes and how they can be leveraged for maximum gains – before operating on a complete DIY mode. To address this need, HDFC securities is gearing up to operate 13 Digital Centres across

India, acting as propellers for customers to get more out of their digital engagement with HSL platforms.

Of the digital centres in the pipeline, 10 are already operating in Mumbai, Thane, Navi Mumbai, Noida, Nasik, Cochin, Ahmedabad, Kolkata, Jaipur and Indore while the remaining are gearing to be operational across various other identified places pan-India.

The fabric of our digital centres is such that it imbibes the financial aspirations of the modern generation into clear actions on our digital channels, helping investors optimise their portfolios while driving higher activation. This journey will have active digital engagement with customers, goal and risk-based portfolio recommendations, customer feedback inclusion and a progressive push of various platform features designed to enrich the trading experience.

## OUR SPREAD OF DIGITAL CENTERS ACROSS INDIA



# #FaydeKeFeatures

The world of the stock market can be rather complex and intimidating at times for a newbie as well as a seasoned trader. Even while actively searching for the right tools and guidance, chances are that one wouldn't exactly know where to begin. To address this predicament, we have introduced **#FaydeKeFeatures** initiative to help its customers navigate smoothly through the stock market, while driving more value for their trading accounts.

## » Off-Market order

Place buy/sell orders in stocks after market hours and trade online.

## » Basket order

A functionality which allows you to place multiple orders/scrips at one time.

## » Encash order

Get the sale proceeds from online equity trading credited to your bank on the to your bank on the same day.

## » GTDt

Trade by placing a BUY/SELL order for a particular stock at a specified price, valid for a pre-defined period.

» Trailing Stop Loss (TSL) with book profit

Place stop loss orders which are revised when the market price of stock/contract moves in your desired direction.

» Bracket order

Place orders which are bracketed by a high-side sell limit order (profit booking) and a low-side sell stop order and vice-versa for a SELL order.

» Smart Order Routing (SOR)

Trade online with SOR mechanism which discovers the best price for your buy/sell order within exchanges.

» Share as pledge

Unlock the value of your stocks in the demat account by using your shares as collateral.

» Mutual fund as pledge

Unlock the value of your mutual funds in the demat account by using your mutual fund as pledge.

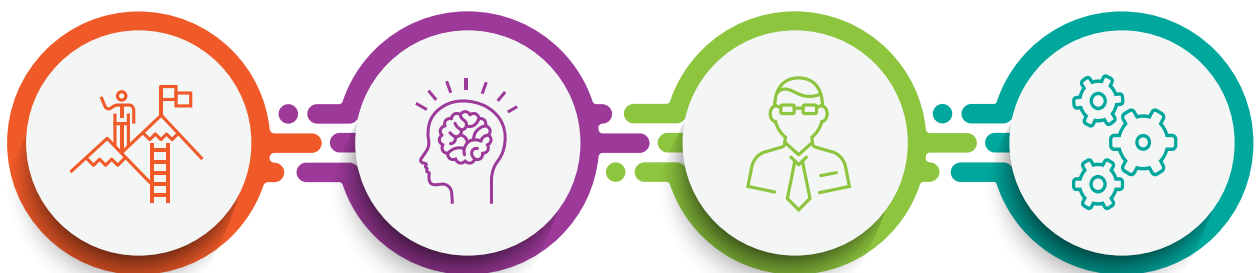
# INSTITUTIONAL EQUITIES – AN ENCOURAGING YEAR GONE BY

A new journey began in 2019 with key management level changes. We added many feathers in our cap.

## Increase in companies under coverage



## Expert core team



15+ years of experience

Vast knowledge in their domain

Diverse expertise

Hailing from varied backgrounds

**Unmesh Sharma, who is from HDFC Bank's investment banking division, is now leading the HDFC securities institutional equities team and is driving improved coordination with the bank.** This, coupled with the existing platform of HDFC securities, is driving encouraging results for our business.

**Revenue and market share:** In a crowded segment, the management changes and the renewed focus on the business have resulted in market share gains. The division has witnessed a multifold increase in revenue, driven both by favorable market conditions as well as

market share gains with domestic institutional investors (DIIs). There is an increasing trend of market share consolidation towards the larger bank based brokers and DIIs are acknowledging our improving execution capabilities.

## What has driven the encouraging results?

Expertise of the team



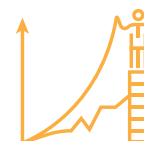
Cutting-edge  
HDFC securities platform



Focus on industry leading thematic research that differentiates us from the competition



Increased investments in the Institutional Equities sales function led to improved collaboration with the ECM and syndicate teams.



Offer institutional investors deep insights into the emerging sectoral trends across industries, such as the shift towards clean energy systems (renewables, electric drive trains) and ecommerce led disruptions (direct to consumer start-ups that are benefiting from rising online usage).

Primary transactions for multiple corporates, including



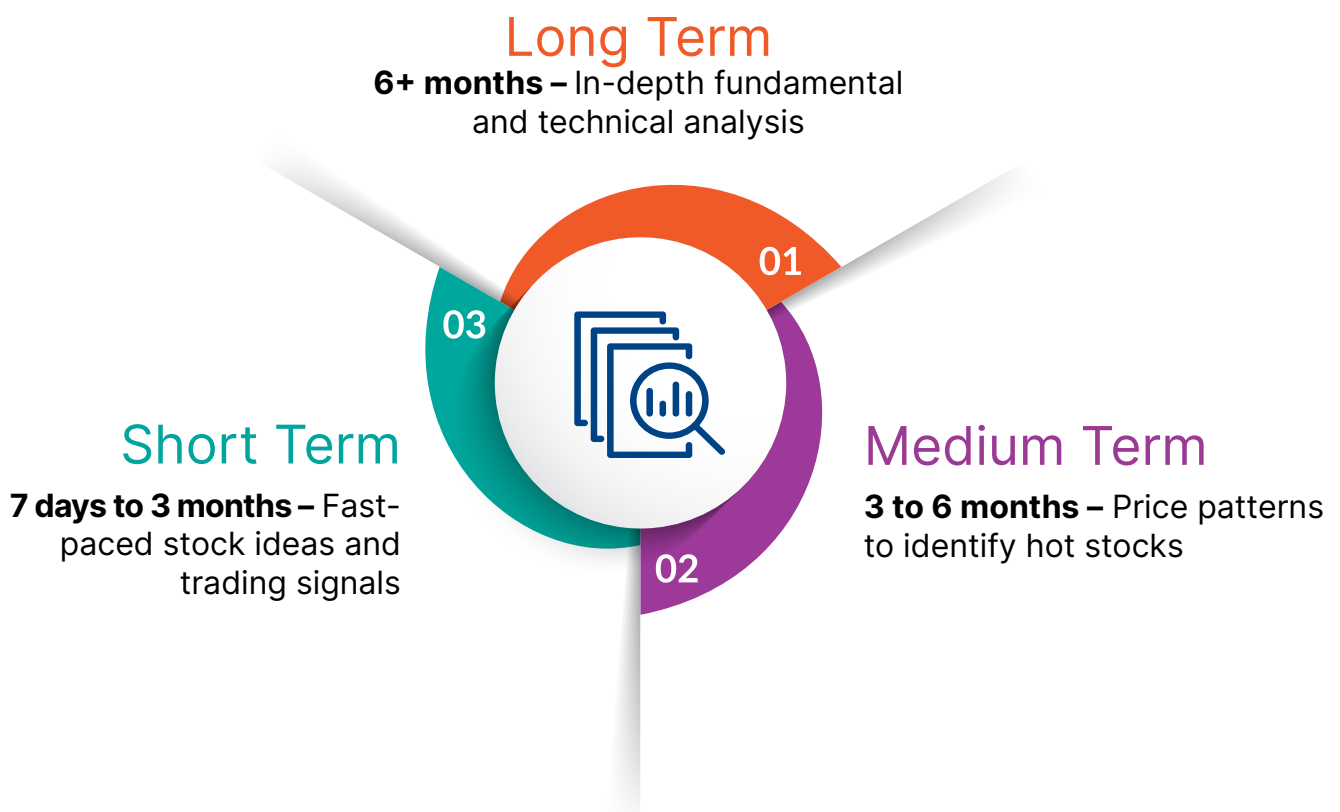
**Outlook:** The current year is witnessing multiple challenges with global equity markets facing rising interest rates as well as geo-political risks. We believe that the Indian capital markets will offer a place of shelter amidst this environment, driven by healthy economic fundamentals including robust tax collections, deleveraged corporate balance sheets, sustained domestic equity inflows as well as ongoing economic reforms including the recent privatisation of Air India. We will be continuously deep diving into various sectors and produce detailed reports to ensure our clients are well-informed to take decisions.

# HDFC securities: EMPOWERING TRADERS WITH DETAILED RETAIL RESEARCH

The era of the retail trader has begun. Retail traders have emerged as the biggest players and influencers in India's financial markets. They constituted 45% of trading turnover in the stock markets and 39% of index futures markets in 2021. With thousands of new traders and investors entering the financial markets, the need of the hour is to support them with insights to make informed decisions. The new generation of investors, comprising primarily of millennials and Gen Z are tech-savvy and digital natives. While the financial markets have piqued their interest, they don't have the time or inclination to thoroughly study all the factors impacting price movements. At HDFC securities, we combine our years of in-depth knowledge of the markets to present comprehensive retail research reports (including stocks/mutual funds), so that retail traders can make sound decisions quickly.

## Catering to different horizons

Identify best-in-class investment opportunities according to your investment horizon



## Retail Research in all shapes and sizes



### Daily Market Commentary

Keep a finger on the pulse of the markets - Insights into market events as they happen and changing market sentiments.



### Results Update

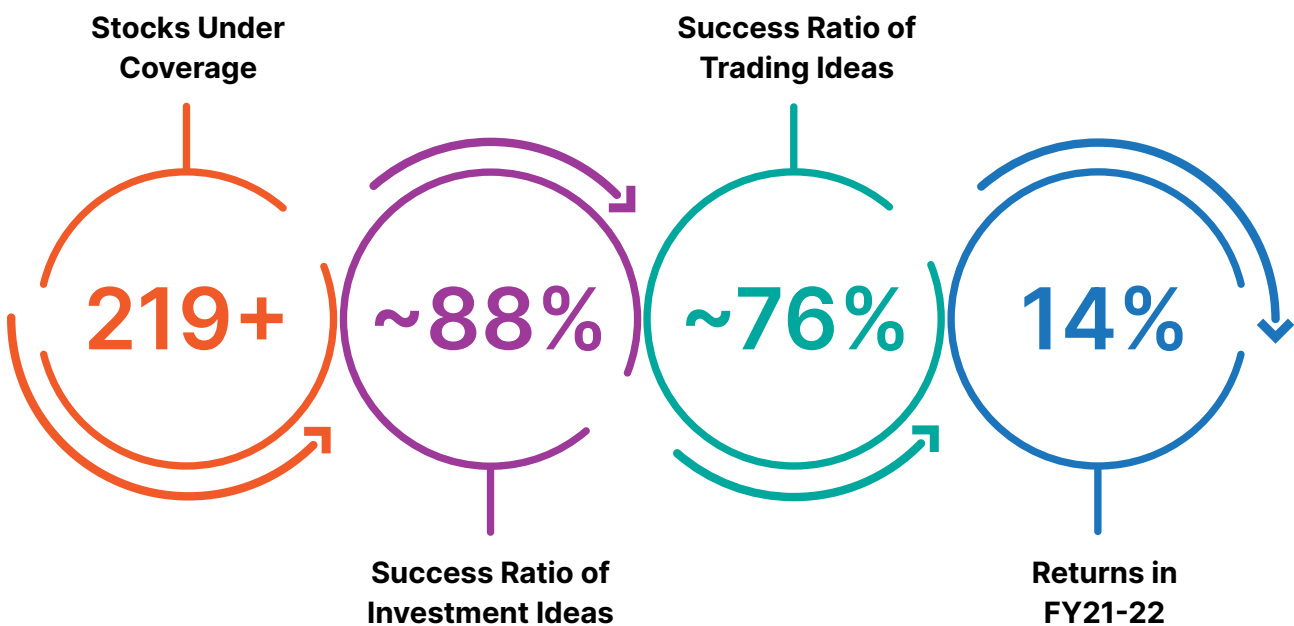
Keep abreast of market movers – Insights on corporate result announcements, including analysis and comments from our research team.



### Periodic Reports

Stay up to speed with trends – Monthly strategy reports, action trackers and technical outlook commentary from our research team.

## Proof of the Pudding



# HDFC securities - A REFRESHED CUSTOMER COMMUNICATION

## The voice and visual vocabulary: Simple, yet powerful

Our communication design is simple and bold. Together with the tone of voice, the brand portrays a friendly and approachable vibe. At the same time, the use of clean, bold, and solid colours reflect the company's vast experience and expertise.

Blue and red are the main colours chosen by HDFC securities, with supportive neutral colours like black,

white, and grey. While red represents the team's passion, energy, and belief in action while blue denotes its stability and reliability. The use of white and grey represents the values of neutrality and dignity, along with conveying maturity and sophistication.

At the core, the visual style is an extension of **T.R.A.C.K.**



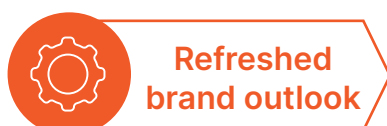
## Less is more in content and beyond

In both digital and offline experiences, content distribution plays a key role. The belief in honesty and sharing fact-based information are critical to HDFC securities. This is evident from all elements of the company's online and offline presence. Stripping off jargon and maintaining an easy-to-understand and engaging tone have been prioritised. The use of hand-drawn illustrations and graphs also maintain the balance between friendly and professional, while avoiding

filters and special effects to convey transparency and simplicity.

With simple, yet sophisticated design aesthetics as well as clean and uncluttered imagery, the HDFC securities brand continues to resonate with customers. Branding, however, is an ongoing effort, which will evolve as the team continues to evolve with the changing needs of its customers.

## Key features



## Adopting clear messaging and CTA

### Old Design

**A BIGGER OPPORTUNITY AWAITS YOU**

**Start Investing Globally**

**Why Invest Globally?**

- Global Diversification
- Control Investment
- Higher Returns

**Create Your Account**

To Invest in Global Stocks

**Dream Big and Fly High with SIP**

**Handpicked Mutual Fund for You**

**Axis Small Cap Fund - Reg(X)**

2 Yr Returns 19.8%

Monthly SIP of ₹10,000

Started 3 years ago return 29.74 Lacs

**Start a Mutual SIP**

**EMPOWER YOURSELF WITH Upto 4X BUYING POWER**

**E-Margin is BACK**

**SURGE AHEAD WITH 4X MORE**

You Pay ₹25K | We Rise Upto ₹75K | Your Total Investment ₹1 Lacs

Also available in GTD and off-market orders.

### New Design

**Invest in where you tend to spend.**

Amazon, Uber, Netflix, Google, Facebook, Tesla

Invest in U.S. Stocks with as low as \$1.

**Create Your Account**

**Dreaming is good. Planning is better.**

**Start SIP in Mutual Fund**

If ₹10,000 Monthly, How a look at the returns if you have invested ₹5,000 monthly using SIP for last 5 years.

| Fund Name                            | Current Value | 5 Yr Investment Returns* |
|--------------------------------------|---------------|--------------------------|
| Koah Emerging Equity Fund            | ₹5.22 Lacs    | 22.36% <b>Start SIP</b>  |
| ICICI Prudential Focused Equity Fund | ₹6.67 Lacs    | 17.75% <b>Start SIP</b>  |

Interesting right? So don't wait and start your SIP journey today.

**Cash vs E-Margin**

Amount of order you want to buy ₹1,00,000 vs ₹1,00,000

Amount to be paid at the time of order 300% vs 20%

Amount that can be sold 0% vs 70%

No cash? No problems. **Buy Now Pay Later**

275 trading days with E-Margin.

# WE ARE WHERE OUR CUSTOMERS ARE

## CELEBRATING

# 1Mn

## FOLLOWERS ACROSS SOCIAL MEDIA



|                  | March 2021 | May 2022 | %    |
|------------------|------------|----------|------|
| <b>You Tube</b>  | 50.7K      | 112K     | 115% |
| <b>twitter</b>   | 56.4K      | 130K     | 130% |
| <b>Linked in</b> | 36.7K      | 100K     | 147% |
| <b>facebook</b>  | 136K       | 511K     | 276% |
| <b>Instagram</b> | 15K        | 86.4K    | 468% |

# OUR SOCIAL MEDIA OFFERINGS



# HUMBLE DEEDS FOSTERING COMMUNITY GROWTH

In India, all corporate entities are expected to showcase their commitment to Corporate Social Responsibility. Keeping this in mind, HDFC securities has formulated a comprehensive program plan for its CSR projects.

Our primary intent is to be constantly involved in activities and projects which contribute in various ways to our surrounding community, aiming to bring positive changes in beneficiaries' lives.

HDFC securities is also committed to ensuring a flourishing Triple Bottom Line in its core operations, paying equal attention to, and taking care of People, Profit, and Planet.

In tune with our CSR goals, we have many programs running simultaneously, managed by a top leadership team which is committed to achieving the end results as targeted.

Our CSR committee reviews the program and provides necessary course corrections during the tenure of the project, enabling it to reach its avowed goals. Our CSR governance mechanism is reviewed and monitored by the board members and senior leaders, every quarter.



## Nana Palkar Smruti Samiti- Medical referral

HDFC securities has partnered with Nana Palkar Smruti Samiti to support two programs namely:

- Nana Palkar Smruti Samiti – Medical referral and
- Nana Palkar Smruti Samiti – Daycare Center



## Olympic Gold Quest (OGQ)

HDFC securities has partnered with Antar Bharti Balgram Yojna (ISC) to support Athletes and Para Athlete to achieve success in Olympic Sports.



### Akshay Patra

HDFC securities has partnered with Akshay Patra to support two programs namely:

- Akshay Patra – Vehicle Support
- Akshay Patra – Center Support



### Isha Vidhya

HDFC securities has partnered with Isha Vidhya to support two programs namely:

- Isha Vidhya – Scholarship Program and
- Isha Vidhya – Infra Support Program.



### Borderless World Foundation

HDFC securities has partnered with Borderless World Foundation to support 60 lakh people (directly and indirectly) as the Emergency Medical and Trauma Care Ambulance will provide access to quality emergency medical response and trauma care facilities in entire border areas of Jammu.

# OUR RESEARCH PUBLICATIONS

Over a period of time, we have published many reports that have been well-appreciated in the industry and by our clients. These reports are extremely detailed where we have tried to get insights with which our customers can make an informed decision.



**PLI: Spearheading India's manufacturing push**



**FMCG: D2C - changing landscape not fully factored in**



**Real Estate: On a Cyclical High**



**India Equity Strategy: Atma Nirbhar Bharat**



**Internet Sector: the stage is set**



**FinTech Playbook: Buy Now Pay Later**



Scan the QR codes to read the reports

# AWARDS & ACCOLADES

As a brand, we are continuously reaching out to our customers with differentiated content, campaigns and informative insights to help them drive core value from their association with us.

These awards are the industry accreditation for our humble efforts to reach out to our customers & helping them in their investment/trading journeys.



Best Brand Building Campaign Award by Quantic India in 2022



Best Customer Education Campaign of the year by Great Indian BFSI Awards 2022 for #LetsETF



Best Twitter Campaign of the year Great Indian BFSI Awards 2022 for #TheRestIsHistory



Best LinkedIn Campaign of the year by Great Indian BFSI Awards 2022 for #HDFCsecValues



Best YouTube Campaign Award by Mcube for Taxpedia in 2021



ET Brand Equity Media Strategy Award for Taxpedia Campaign in 2021



We are now a 1 lakh Subscribers family on YouTube

# SENIOR MANAGEMENT TEAM



**Dhiraj Relli**  
MD & CEO



**Reynu B. Bhat**  
Head - Human Resource, L&D,  
Administration & Infra and Customer Care



**Ashish Rathi**  
Head of Risk, Compliance, Operations &  
Whole Time Director



**Kunal Sanghavi**  
Chief Financial Officer,  
Legal & Secretarial



**Sameer Saurabh**  
Chief Technology Officer



**Varun Lohchab**  
Head - Institutional Research



**Deepak Jasani**  
Head - Retail Research



**Uday Singh**

Chief Business Officer, Business Head - East, South and North



**Mufaddal Matcheswala**

Chief Growth Officer, Business Head - Digital Centers, Open market/ B2B/ Alliance sourcing



**Kiran Hirlekar**

Chief Business Officer, Business Head - Mumbai, Special Desks, ROM, MPCG, Gujarat and Rajasthan



**Unmesh Sharma**

Head - Institutional Equities



**S Sambath Kumar**

Head - Third Party Products, Alliances and Cross Sell



**Pranab Uniyal**

Head - Investment Advisory Products



**Vaman Shenoy**

Head - Internal Audit



**Navanil Sengupta**

Head - Brand, Marketing & Corporate Communication



**Vidit Jain**

Head - Equity & Derivative Products



**Akanksha Garg**

Head - Digital & PMO



**Amit Goyal**

Head - New Stack and Digital Revenue



**Vinayak Pralhad Dhole**

Head - Digital Account Opening

# PROFILES OF BOARD MEMBERS

## Mr. Dhiraj Relli



With a career spanning over two decades, Dhiraj Relli brings to the table a wealth of experience in the Banking, Wealth Management and Financial Services space. A member of the HDFC family since 2008, he has served as Senior Executive Vice President and Head of Branch Banking at HDFC Bank, where he managed Retail Branch Banking spreading across 800 branches in different geographies. Mr Relli is a member of the Secondary Market Advisory Committee (SMAC) of Securities and Exchange Board of India (SEBI), and Member of the Advisory Committee of Bombay Stock Exchange (BSE), National Securities Depository Limited (NSDL), and Central Depository Services (CDSL). A B.Com. (Honours) graduate from Delhi University, Mr Relli is a qualified Chartered Accountant from The Institute of Chartered Accountants of India and also did an Advance Management Program from the prestigious Indian Institute of Management, Bangalore.

## Dr. (Mrs.) Amla Samanta



Dr. Samanta is currently on the Board of Samanta Movies Private Limited, HDB Financial Services Limited, Shakti Cine Studios Private Limited and SAVD Technologies Private Limited. Earlier, she was on the Board of HDFC Bank from 1996 to 2004. Prior to this, she served on the Advisory Board – India of the Bank of America for two years. She set up Samanta Organics Pvt Ltd and Ashish Rang Udyog and successfully ran them for 35 years. She has over three decades of experience in the small scale industry and financial services. She holds a PhD in biochemistry from the University of Mumbai.

## Mr. Samir Bhatia



Mr. Bhatia is an Indian entrepreneur and the Founder and CEO of SME corner. He is a Chartered Accountant and a Cost Accountant, and has worked with companies such as Citibank, HDFC Bank, Barclays Bank, and Equifax.

## Mr. Malay Patel



Mr. Patel is a Major in Engineering (Mechanical) from Rutgers University, Livingston, NJ (USA) and holds an AABA in business from Bergen County College, Fairlawn, NJ (USA). He is a Director on the Board of Eewa Engineering Company Private Limited, a company in the plastics/packaging industry that exports to customers in more than 50 countries. He is also an Independent Director of HDFC Bank Limited.



**Mr. Ashish Rathi**

Mr. Ashish Rathi serves as a Whole Time Director of HDFC securities Limited. He has been associated with the company since 2003 and heads the Risk, Compliance, and Operation Functions. He is a Chartered Accountant by profession and graduated from Narsee Monjee College of Commerce and Economics. He has more than 18 years of rich experience in Capital Market Operations, Risk Management, and Compliance Functions.



**Mr. Tarun Balram\***

Tarun Balram is a senior banker with almost 30 years of experience with HSBC in the Corporate and Institutional banking domain. He worked in various capacities including Managing Director and Head India – Corporate & Institutional Banking, covering HSBC’s Corporate & Financial Sector Clients (local and multi-national). He has also played an active leadership role in championing HSBC India’s Diversity & Inclusion agenda as well as been a mentor to several middle-management executives, guiding them through their career journey. Mr. Tarun Balram is a Commerce graduate from Delhi University post which, he undertook a double Masters in Business Economics and Business Management, respectively.



**Mr. Neeraj Swaroop\***

Neeraj Swaroop is an experienced professional with over 40 years in the Financial Services and Consumer Goods (FMCG) industry. He has built and led businesses across geographies in India and Asia. Currently, he is a faculty at the S P Jain Institute of Management, Operating Partner at Kedaara Capital, and Independent Director of SBFC Finance Pvt. Ltd & Avanse Capital Ltd. His last full-time role was with Standard Chartered as Regional CEO, South East Asia and Singapore. Previously he has worked with Pond’s India, Hindustan Unilever, Bank of America, and HDFC Bank. He also held board positions at Bank of Permata Indonesia, CDSL India, PNB Metlife India and Standard Chartered subsidiaries in Malaysia, Thailand, Vietnam, Mauritius and Nepal.

\*Appointed as Director of the Company with effect from June 8, 2022.



# FINANCIAL REVIEW **2021-2022**

# DIRECTORS' REPORT

## TO THE MEMBERS

Your Directors are pleased to present the 22nd Annual Report on the business and operations of the Company together with audited accounts for the year ended 31st March 2022.

## FINANCIAL RESULTS AS PER IND AS

(Rs. in Crore)

|  | Year ended<br>31-3-2022 | Year ended<br>31-3-2021 |
|--|-------------------------|-------------------------|
| <b>Total Income</b>                                    | <b>1,990.3</b>          | <b>1,399.4</b>          |
| Total Expenses (excluding Depreciation)                | 627.7                   | 417.5                   |
| <b>Profit before depreciation</b>                      | <b>1,362.6</b>          | <b>981.9</b>            |
| Depreciation and Amortisation                          | 42.3                    | 36.3                    |
| <b>Profit before tax</b>                               | <b>1,320.3</b>          | <b>945.6</b>            |
| Provision for Tax                                      | 336.0                   | 242.4                   |
| <b>Profit after tax</b>                                | <b>984.3</b>            | <b>703.2</b>            |
| Balance brought forward                                | 1,314.9                 | 1,112.7                 |
| <b>Amount available for appropriation</b>              | <b>2,299.2</b>          | <b>1,815.9</b>          |
| Dividend (Interim and Final)                           | 864.6                   | 501.0                   |
| Tax including surcharge and education cess on dividend | -                       | -                       |
| <b>Balance carried over to Balance Sheet</b>           | <b>1,434.6</b>          | <b>1,314.9</b>          |

## OPERATIONS

During the year under review, the Company's total income amounted to Rs. 1,990.3 crore as against Rs. 1,399.4 crore in the previous year, an increase of 42%. The operations have resulted in a net profit after tax of Rs. 984.3 crore as against Rs. 703.2 crore in the previous year, an increase of 40%. The Company has emerged as a strong player in the financial services space offering a bouquet of savings and investment products along with the core broking product. The Company had 215 branches across 147 cities in the country as on 31st March, 2022 and also has multiple digital platforms to enable its customers have easy access to its products.

## PROSPECTS AND OUTLOOK FOR THE FUTURE

### Economic Outlook

#### Output:

India's industrial activity escaped relatively unscathed from the third wave of Covid-19 in January 2022 registering no change in output sequentially even as Omicron-led restrictions across the country reduced demand for goods and services. The IIP on the year-on-year (YoY) basis picked up marginally to 1.3 percent in January from 0.7 percent in the preceding month as manufacturing output grew 1.1 per cent. Mining and

electricity outputs registered 2.8 per cent and 0.9 per cent growth respectively.

Covid's third wave subdued India's eight core industries' production in January 2022 on a sequential basis. The core sectors in India grew by 5.8% in February 2022 at 137.1 compared to the same time last year. However, over a longer period, the data showed that the industrial sectors were recovering for the impact of the pandemic. The cumulative growth rate of the Index of Eight Core Industries (ICI) stood at 11.0 per cent for the April to February period for FY 2021-22. On a sector-specific basis, natural gas, refinery products, steel, coal, cement, electricity generation registered a growth of 12.5, 8.8, 6.6, 5.7, 5.0, 4.0% respectively whereas crude oil, fertiliser declined by 2.2, 1.4% respectively.

India's GDP is seen growing at 8.9% in FY22, lower than the earlier estimate of 9.2%, the second advance estimates of national income released by the National Statistical Office (NSO) showed. GDP growth rate for Q3 was at 5.4% as against 0.7% growth in the corresponding period a year ago. The lower GDP print for this fiscal comes on the back of an upward revision in the GDP growth rate for FY21 to a contraction of 6.6 per cent as against minus 7.3 per cent earlier. The RBI in its latest monetary policy has projected real GDP growth at 7.2% for 2022-23 with Q1:2022-23 at 16.2%, Q2 at 6.2%, Q3 at 4.1%, and Q4 at 4.0%.

Recovery in domestic economic activity is yet to be broad-based, as private consumption and contact-intensive services remain below pre-pandemic levels. Going forward, the outlook for the Rabi crop bodes well for agriculture and rural demand. The outlook for contact intensive services and urban demand is also improving.

The announcements in the Union Budget 2022-23 on boosting public infrastructure through enhanced capital expenditure are expected to augment growth and crowd in private investment through large multiplier effects. The pick-up in non-food bank credit, supportive monetary and liquidity conditions, sustained buoyancy in merchandise exports, improving capacity utilisation and stable business outlook augur well for aggregate demand.

### **Inflation:**

India's retail inflation in February rate rose marginally to 6.07 percent from 6.01 percent in the previous month.

Inflation rose to an eight-month high despite the unfavourable base effect wearing off, suggesting the presence of sequential price momentum. The February reading is the 29th consecutive month in which CPI inflation has exceeded RBI's medium-term target of 4 percent and the second successive month in which it has come above the upper-bound of the central bank's 2-6 percent mandate

The central bank's latest monetary policy in April 2022 has projected CPI inflation for 2021-22 at 5.7%, with Q1 at 6.3 per cent; Q2 at 5.8 per cent; Q3 at 5.4 per cent; and Q4 at 5.1 per cent on the assumption of a normal monsoon in 2022. Amid the geopolitical tensions, cost pressure and supply chain disruptions are likely to linger on and edible oil and crude oil prices could remain high for a considerable period of time.

### **The fiscal and external situation:**

India's Gross tax collections surged to a new high of Rs 27.07 lakh crore in fiscal 2021-22, marking a 33.5 per cent increase over last fiscal's gross tax collections. Improved revenue buoyancy was also reflected in the tax-GDP ratio increasing to over two-decade high of 11.7 per cent. Net tax mop-up in FY22 was Rs 18.22 lakh crore, a 27.8 per cent increase over the actual revenue collected in 2020-21. Direct tax collections, net of refunds, rose by 49 per cent to Rs 14.10 lakh crore last fiscal, while indirect taxes posted a growth of 20 per cent to Rs 12.90 lakh crore.

GST collection in March touched an all-time high of over Rs 1.42 trillion, an increase of 15% annually, on the back of rate rationalisation and anti-evasion steps. The average monthly gross GST collection for the last quarter of the FY22 has been Rs 1.38 trillion as against the average monthly collection of Rs 1.1 trillion, Rs 1.15 trillion and Rs 1.3 trillion in the first, second and third quarters, respectively.

India's trade deficit rose 87.5 per cent to USD 192.41 billion in 2021-22 as against USD 102.63 billion in the previous year. While total exports during last fiscal year increased to a record high of USD 417.81 billion, imports too soared to USD 610.22 billion. The trade deficit in March 2022 was USD 18.69 billion. For the first time, India's monthly merchandise exports exceeded USD 40 billion, reaching USD 40.38 billion in March 2022. Imports in March 2022 stood at USD 59.07 billion, an increase of 20.79 per cent

India received total foreign direct investment of USD 60.3 billion during April to December 2021 which is 10.6 per cent lower compared to the USD 67.5 billion of FDI received in the same period of 2020-21. During April-December 2021 period, with investments of USD 11.7 billion, Singapore came out on top. US with USD 7.52 billion, Mauritius with investments of USD 6.58 billion, Cayman Islands with USD 2.74 billion, Netherlands with USD 2.66 billion, and the UK with USD 1.44 billion followed Singapore. The highest inflows were in the hardware and computer software sector with USD 10.25 billion. The automobile industry with USD 5.96 billion stood second and it was followed by the services sector with USD 5.35 billion, construction (infrastructure) activities with inflows of USD 1.6 billion, and pharma with inflows of USD 1.2 billion.

## Capital Markets

### The equity market moves, and the way ahead:

India Inc.'s earnings and revenue jumped in the third quarter on a pickup in economic activity, improved domestic demand, stable interest rates and better tax collections. But rising input costs weighed on the operating performance. EBITDA margin for most sectors narrowed on cost inflation.

India's economic recovery gained some traction, and a cautious revival was seen in the contact-intensive sectors promoted by rising vaccine coverage. High-frequency indicators present a mixed picture - while industrial production and vehicle sales have been sluggish, exports, rail freight traffic and goods and service tax e-way bills have shown robust growth.

Indian budget for FY22-23 focused on growth revival which was visible through the higher budgeted CAPEX number and borrowings for FY22-23. Budgeted CAPEX has been increased to Rs 7.5 lakh crores v/s 5.5 lakh crores in the last budget while budgeted borrowings have increased from 12.1 lakh crores in FY22 to 15.0 lakh crores in FY23. Government hopes that its capex will further stimulate demand for private sector/manufacturing and trigger a virtuous growth cycle.

The Indian equity market gave solid returns in financial year 2022, despite geopolitical turmoil playing spoilsport in the last quarter of FY22. Nifty50 recorded

an impressive 19% year-on-year gain and ended the financial year with the second-best returns in seven years. India's equity market broke into the world's top five club in terms of market capitalisation for the first time. The country's total market cap stood at \$3.6 trillion. India's Market Cap-to-GDP ratio reached ~104.7% on April 10, 2022 as compared to ~98% in Mar'21.

Following the escalation of the Russia-Ukraine conflict, foreign portfolio investors (FPIs) ditched Indian equities as crude oil-led macro and micro impact made Indian stocks less attractive. Nonetheless, domestic institutional investors (DIIs) came to the rescue. DII flows into equities in FY22 were the highest ever at \$26.8 billion compared to outflows of \$18.4b in FY21, while FPIs witnessed equity outflows of \$18.5 billion after five consecutive years of inflows and \$37 billion inflows in FY21. Profit growth for Nifty-50 in FY22 is likely to be 35%, despite a weak Q1 in the wake of the deadly second Covid wave, and a muted Q4FY22E, partly impacted by the Omicron wave and higher commodity prices.

Broader markets also put up an impressive performance. The Nifty Midcap 100, up more than 25% y-o-y, and the Nifty Smallcap 100, up more than 29% y-o-y, outperformed the benchmark in FY22. Sectoral indices also posted decent performance during this period. Top gainers in the sectoral space were Utilities (+63%), Metals (+62%), Media (+54%), Oil & Gas (+42%), Telecom (+42%), and Technology (+40%) while Private Banks, Consumer, Autos, and Healthcare underperformed,

The rupee ended the financial year with a decline of 3.5% against the dollar as compared to 3.4% gain in the previous year. The rupee could remain under pressure due to rising trade and current account deficit and rising USD.

US headline inflation came at a 4 decade high 7.9% yoy in February 2022. Core inflation, which is the US Fed's preferred gauge, increased 6.4%. Globally, inflation continues to be high because of surging energy prices, supply chain disruptions and labor shortages. The Federal Reserve has signaled that it will wind down its ultra-accommodative monetary policy and start tightening, with its first hike (since December 2018) of 25bps in March 2022. Officials indicated an aggressive path ahead, with rate rises coming at each of the remaining six meetings in 2022.

The US 10-year Treasury yield increased from 1.51% to 2.35% in Q1CY22 and 2.75% on April 11, 2022. In the same period, India's 10-year bond yield has gone up from 6.45% to 6.84% and further to 7.15% on April 11, 2022 after the no change in repo monetary policy announced by the RBI. Expectation of sustained high inflation, rising borrowings by the Indian Govt and strong US economic growth has led to rise in bond yields. Globally rising bond yields are putting pressure on richly valued sectors and companies.

The ongoing crisis in Ukraine is set to push the country's import bills, given India's import dependence on crude oil, natural gas, gems and jewellery, edible oils and fertilisers, which can lead to a spike in inflation and current account deficit, and a falling rupee. India's sovereign bonds look among the most vulnerable to an oil-price shock among emerging debt markets across Asia. Any move to facilitate inclusion of Indian sovereign bonds in global indices could ease the pressure on bond yields.

An early resolution of the Russia-Ukraine conflict and restoration of supply chains across the globe is essential to push growth and bring inflation under

control. Till we see that, companies that do not have pricing power or want to protect their market share may witness, margin headwinds. On the other hand, better placed corporates could see top line and bottom line numbers protected but at the cost of volumes. Nifty EPS may come in for downward revision for FY22 and FY23 due to the above reasons. However, due to lower base, the FY24 growth numbers may be upped.

### EXTRACT OF ANNUAL RETURN

Pursuant to Section 134 (3) (a) Annual Return as provided under sub-section (3) of Section 92 is available on the web-site of the company at <https://www.hdfcsec.com/article/regulatoryinformation-1824>.

### DETAILS OF HOLDING/ SUBSIDIARY/ASSOCIATES COMPANY

The Company is subsidiary company of HDFC Bank Limited. The Company does not have any subsidiary or associate company.

### BOARD MEETINGS

During the year under review, 9 (Nine) Board Meetings were held. The meetings were held on 15th April 2021, 27th April 2021, 10th June 2021, 15th July 2021, 16th September 2021, 14th October 2021, 13th January 2022, 21st February 2022 and 28th February 2022.

Details of attendance of Directors at the Board Meetings and sitting fees paid to the Directors for attending Board and various Committee meetings during the year under review are as follows:

| Name of Director        | Meeting eligible to attend | Meeting Attended | Sitting Fees (Rs) |
|-------------------------|----------------------------|------------------|-------------------|
| Mr. Bharat Shah*        | 9                          | 9                | 13,95,000         |
| Mr. Samir Bhatia        | 9                          | 9                | 14,70,000         |
| Dr. (Mrs.) Amla Samanta | 9                          | 9                | 15,70,000         |
| Mr. Malay Patel         | 9                          | 9                | 11,50,000         |
| Mr. Jagdish Capoor**    | 7                          | 6                | 8,70,000          |
| Mr. Abhay Aima***       | 4                          | 4                | 5,50,000          |
| Mr. Dhiraj Relli        | 9                          | 9                | Nil               |
| Mr. Ashish Rathi        | 9                          | 9                | Nil               |

\*Mr. Bharat Shah ceased to be Director w.e.f February 28, 2022

\*\* Mr. Jagdish Capoor ceased to be Director w.e.f January 13, 2022

\*\*\* Mr. Abhay Aima ceased to be Director w.e.f. July 15, 2021

## COMPOSITION AND SIZE OF THE BOARD

The composition of the Board of Directors of the Company ("the Board") is governed by the Companies Act, 2013 and the SEBI (Stock-brokers and Sub-brokers) Regulations, 1992. The Board has 5 (Five) Directors as on 31st March, 2022. All the Directors other than Mr. Dhiraj Relli and Mr. Ashish Rathi are Independent-Non-Executive Directors as on the date of this report. The Company has 3 (three) Independent Directors including 1(one) Women director and 2 (Two) Non-Independent Directors as on the date of this report.

Mr. Dhiraj Relli, Mr. Ashish Rathi are the Non-Independent Directors on the Board.

Dr. (Mrs.) Amla Samanta, Mr. Malay Patel and Mr. Samir Bhatia are Independent Directors on the Board.

The Board had, pursuant to the recommendation of NRC, vide resolution dated 21st February 2022 and 28th February 2022 appointed Mr. Neeraj Swarup and Mr. Tarun Balram as additional Independent Directors respectively. The said appointments are subject to IRDAI and Stock Exchanges approvals. Accordingly, the Company has filed the necessary applications and the said approvals are awaited.

None of the Directors are related to each other.

## COMPOSITION OF COMMITTEES OF DIRECTORS

The Board has constituted various Committees of Directors to take informed decisions in the best interest of the Company. These Committees monitor the activities falling within their terms of reference.

The various Committees of the Board as on 31st March 2022 are as follows:

### Audit Committee:

The members of the Audit Committee are Mr. Samir Bhatia, Dr. (Mrs.) Amla Samanta, and Mr. Malay Patel. The Committee is chaired by Mr. Samir Bhatia.

The Committee met 4 (four) times during the year. The meetings of the Committee were held on 15th April 2021, 15th July 2021, 14th October 2021 and 13th January 2022.

The terms of reference of the Audit Committee inter-alia include the following:

- a. Recommending appointment, remuneration and terms of appointment of auditors of the Company;
- b. Reviewing and monitoring the auditor's independence, performance and effectiveness of the audit process;
- c. Reviewing with management, the financial statements and the auditors' report thereon focussing primarily on accounting policies and practices, compliances with other requirements concerning financial statements;
- d. Approvals or any subsequent modification of transactions of the Company with related parties;
- e. Reviewing the adequacy of the Company's financial controls and risk management systems;
- f. Reviewing the adequacy of the Audit and Compliance function, including their policies, procedures, techniques and other regulatory requirements.

### Nomination & Remuneration Committee:

The Company has constituted a Nomination and Remuneration Committee for identification and recommending the appointment of Directors, Key Managerial Personnel and Senior Management Personnel. The Nomination and Remuneration Committee scrutinises the appointment of Directors, Key Managerial Personnel and Senior Management Personnel based on positive attributes, independence, qualifications, integrity etc. The Committee ensures that there is balance between fixed and incentive pay reflecting short and long term performance objectives, appropriate to the working of the Company and its goals, thereby formulating various policies to achieve the same.

The members of the Nomination and Remuneration Committee are Dr. (Mrs.) Amla Samanta, Mr. Samir Bhatia and Mr Malay Patel.

The Committee met 7 (Seven) times during the year. The meetings of the Committee were held on 27th April 2021, 10th June 2021, 15th July 2021, 16th September 2021, 13th January 2022, 21st February 2022 and 28th February 2022.

## CAPEX Committee:

The CAPEX Committee considers and approves all capital expenditure incurred by the Company for its various projects, branch set up, etc. from time to time.

The members of the Committee are Mr. Dhiraj Relli, Mr. Samir Bhatia and Mr. Malay Patel. The Committee met 4 (four) times during the year. The meetings of the Committee were held on 10th June 2021, 15th July 2021, 14th October 2021 and 13th January 2022.

## Stakeholders' Relationship Committee (Formerly Share Allotment and Transfer Committee):

The Company has constituted Stakeholders' Relationship Committee that approves and monitors allotments, transfers, transmission, splitting and consolidation of shares issued by the Company. The Committee consists of Mr Malay Patel, Mr Dhiraj Relli and Mr Ashish Rathi. The Committee met once during the year on 23rd July 2021

## Corporate Social Responsibility (CSR) Committee:

The Board has constituted a CSR Committee with the following terms of reference

- To formulate the Company's CSR Strategy, Policy and Goals;
- To recommend the amount of expenditure to be incurred every financial year on the CSR activities;
- To monitor the Company's CSR Policy and performance;

## General Body Meetings:

(During previous three financial years)

| Meeting  | Date and Time               | Venue  | No. of Special Resolutions passed |
|----------|-----------------------------|--|-----------------------------------|
| 21st AGM | 15th July 2021 at 3.30 P.M. | Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")      | Two                               |
| 20th AGM | 15th July 2020 at 3.30 P.M. | Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")      | None                              |
| 19th AGM | 21st June 2019 at 12 Noon   | HDFC Bank House, 5th Floor, S.B. Marg, Lower Parel, Mumbai 400 013 | One                               |

- To review the CSR projects/initiatives from time to time.

The members of the CSR Committee are Dr. (Mrs.) Amla Samanta, Mr. Malay Patel and Mr. Dhiraj Relli.

The Committee met thrice during the year. The meetings of the Committee were held on 15th April 2021, 15th July 2021 and 16th September 2021.

## Investment Management Committee:

The Investment Management Committee considers and approves the investment of funds by the Company within the overall limits approved by the Board. The Committee consists of Mr. Dhiraj Relli, Mr. Ashish Rathi, Mr. Kunal Sanghavi and Mr. Mitul Palankar.

The Committee met thrice during the year. The meetings of the Committee were held on 30th June 2021, 6th September 2021 and 29th January 2022.

## Research Analyst Remuneration Committee:

The Research Analyst Remuneration Committee considers and approves the remuneration of individuals employed as Research Analyst in accordance with the Policy and Procedures framed for regulating the Research Analyst pursuant to the SEBI (Research Analyst) Regulations, 2014. The Committee consists of Dr. (Mrs.) Amla Samanta, Mr. Ashish Rathi, Mr. Dhiraj Relli and Ms. Reynu B Bhat. The Committee met thrice during the year on 27th April 2021, 16th September 2021 and 13th January 2022.

## DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors hereby state that:

1. In the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
2. We have selected such accounting policies, applied them consistently, made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March 2022 and of the profit of the Company for the year ended on that date;
3. We have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. We have prepared the annual accounts on a going concern basis;
5. We have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
6. We have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## INTERNAL FINANCIAL CONTROLS

The internal financial controls with reference to the Financial Statements are commensurate with the size and nature of business of the Company.

## DECLARATIONS BY INDEPENDENT DIRECTORS

Dr. (Mrs.) Amla Samanta, Mr. Malay Patel and Mr. Samir Bhatia have given declarations stating that they meet the criteria of independence as provided under sub-section (6) of Section 149 of the Companies Act, 2013. The Board has taken the same on record. These Directors have also empanelled as Independent Directors on the portal of the Indian Institute of Corporate Directors as required under The Companies (Appointment & Qualification of Directors) Fifth Amendment Rules, 2019.

## NOMINATION & REMUNERATION POLICY

The Company has adopted the Nomination & Remuneration Policy pursuant to which the appointment of Directors, Key Managerial Personnel and Senior Management Personnel of the Company is reviewed by the Nomination & Remuneration Committee with recommendations to the Board. The Nomination & Remuneration Policy inter-alia provides for identification of persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down such as:

- Academic qualifications, previous experience, track record;
- Integrity of the candidate;
- External competitiveness;
- Size and complexity of the job.

The Company has also adopted the Directors' Performance Evaluation Policy including the criteria for performance evaluation. Pursuant thereto, the performance evaluation of Independent Directors is done by the entire Board, excluding the director being evaluated. The Independent Directors at a separate meeting held on 13th January 2022 have also reviewed and evaluated the performance of the Non-Independent Directors and the entire Board.

## AUDIT QUALIFICATIONS

During the year under review, there is no audit qualification, reservation, adverse remark or disclaimer in the Company's financial statements by the Auditor or by the Company Secretary in practice in the Secretarial Audit Report. The Company continues to adopt best practices to ensure regime of unqualified financial statements.

## PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013

During the year under review, the Company has not given any loans, guarantees pursuant to Section 186 of the Companies Act, 2013 other than Margin Funding to its own customers for capital market purchases in the

ordinary course of business. (Refer Note No. 7 of the Financial Statements). The particulars of investments made by the Company under Section 186 of the Companies Act, 2013 at the close of the financial year are reflected in Note No. 8 of the Financial Statements.

### **PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES REFERRED TO IN SUB-SECTION (1) OF SECTION 188**

The particulars of contracts or arrangements with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 is annexed herewith in Form AOC-2 – **Annexure I**

### **RISK MANAGEMENT POLICY**

The Company has a robust risk management policy wherein the various risks including market risks, liquidity risks and operational risks are identified and prudential limits are set internally by the Management to control and mitigate the risks with various risk strategy, policies, procedures and systems. The Company has a comprehensive centralised risk management function, independent from the operations and business units of the Company. A dedicated team with risk management function is responsible for assessment, monitoring and reporting of risks. Material operational risk losses are examined thoroughly to identify areas of risk exposures and gaps in controls basis which appropriate risk-mitigating actions are initiated. The Company periodically carries out liquidity stress testing which forms an integral part of the Internal Capital Adequacy Assessment Process (ICAAP) both on historical and forecasted data.

### **CORPORATE SOCIAL RESPONSIBILITY (CSR)**

As a responsible Corporate Citizen, the Company strives for community empowerment through socio-economic development of underprivileged and marginalised sections of the society. It has been the Company's endeavour to put more value on bringing social good, which is beneficial to the society and thus making a difference in the livelihood of the people. Pursuant to Section 135 of the Companies Act, 2013, a brief outline on the Company's CSR Policy and the CSR

Activities/Initiatives taken by the Company is enclosed in **Annexure II**

### **DIVIDEND**

During the financial year under review, the Board of Directors declared Four Interim Dividends of Rs. 120/- per equity share (i.e. @ 1200%), Rs. 127/- per equity share (@ 1270%) Rs. 148/-per equity share (@ 1480%) and Rs. 152/- per equity share (@1520%) for the year ended 31st March 2022 aggregating Rs.547/- per equity share (5470%) on 10th June, 2021 & 21st June 2021, 16th September 2021, 20th December 2021 and 17th March 2022 respectively. The dividends have been paid to the shareholders and tax deducted therefrom has been deposited by the Company.

### **PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO**

- A. Since the Company does not carry out any manufacturing activities, particulars to be disclosed with respect to conservation of energy and technology absorption under Section 134(q) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 are not applicable.
- B. Details of earnings and expenses in foreign currency are reflected in Note no. 37 of the financial statements.

### **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

There has been changes in the Board of Directors.

1. Mr. Bharat Shah ceased to be Director w.e.f 28th February, 2022
2. Mr. Jagdish Capoor ceased to be Director w.e.f 13th January 2022
3. Mr. Abhay Aima ceased to be Director w.e.f. 15th July 2021

The Board had, pursuant to the recommendation of NRC, vide resolution dated 21st February 2022 and 28th February 2022 appointed Mr. Neeraj Swaroop and

Mr. Tarun Balram as additional Independent Directors respectively. The said appointments are subject to IRDAI and Stock Exchanges approvals. Accordingly, the Company has filed the necessary applications and the said approvals are awaited.

The following are the changes in the Key Managerial Personnel of the Company during the year under review.

1. Mr. N. E. Venkitakrishnan retired from the position of the Company Secretary of the Company with effect from 12th August 2021.
2. Mr. Mitul Palankar was appointed as Company Secretary of the Company with effect from 14th August 2021.

## EMPLOYEE STOCK OPTIONS

The Company has granted 67,500 stock option at the price of Rs. 6,098/- on 16th September 2021 and granted 43,000 stock options at Rs. 8,051/- on 13th January 2022 to its employees during the year. Some of the stock options granted earlier were vested during the year and the relevant details on the subject have been disclosed in the notes forming part of the financial statements in Note No.43 and **Annexure III** to the report.

## PUBLIC DEPOSIT

During the year under review, the Company has not accepted any deposits covered under Chapter V of the Companies Act, 2013.

## AUDITORS

M/s. B S R & Co. LLP, Chartered Accountants (Registration No. 101248W/W-100022) were appointed as Statutory Auditors for a period of 5 (five) consecutive years up to the conclusion of the 23rd Annual General Meeting by the members at the Annual General Meeting held on 22nd June 2018 on a remuneration as may be fixed by the Board of Directors. Accordingly M/s. B S R & Co., LLP will continue as Statutory Auditors for the financial year 2022-23.

## SECRETARIAL AUDIT

In terms of Section 204 of the Companies Act, 2013 and Rules made thereunder, M/s. Bhandari & Associates, Practicing Company Secretaries have been appointed Secretarial Auditors for the year 2021-22. The report of the Secretarial Auditors is enclosed in Form MR-3 to this Report - **Annexure IV**

## DETAILS IN RESPECT OF FRAUDS / DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE OPERATIONS.

There is no significant material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future operations.

## VIGIL MECHANISM/WHISTLE BLOWER POLICY

Section 177(9) and (10) of the Companies Act, 2013 read with Rule 7 of Companies (Meeting of Board and Its powers) Rules, 2014 requires the Company to establish an effective Vigil Mechanism for employees and Directors to report to its management concerns about unethical behaviour, actual or suspected fraud or violation of the Codes of Conduct or any Policy of the Company. The Company as part of the 'vigil mechanism' has in place a Board approved 'Whistle Blower Policy' to deal with instances of fraud and mismanagement, if any getting reported to. The Whistle Blower Policy has been placed on the web page of the Company. This vigil mechanism of the Company is overseen by the Audit Committee and provides adequate safeguard against victimisation of employees. The whistle blower complaints were reviewed by the Audit Committee on a quarterly basis. During the year under review, no complaints were received by the Company.

## DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

The Company has in place a policy for Prevention, Prohibition & Redressal of Sexual Harassment at the workplace, which is in line with the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal), Act 2013 and the rules made thereunder.

All the employees are covered under this policy and the Company has also constituted an Internal Committee as per the provisions of Section 4 of the said Act to deal with the complaints received under the Act from the Head Office and the branches. The details relating to the complaints filed and resolved during the year 2021-22 in this regard are as under

|   |   |
|---|---|
| 1. Number of complaints received during the year                                      | 0 |
| 2. Number of complaints disposed off during the year                                  | 0 |
| 3. Number of cases pending for more than 90 days                                      | 0 |
| 4. Number of workshops/awareness programmes on Sexual Harassment held during the year | 2 |

## ACKNOWLEDGEMENT AND APPRECIATION

Your Directors would like to place on record their gratitude for all the guidance and co-operation received from the Securities and Exchange Board of India, BSE Limited, National Stock Exchange of India Limited, Multi Commodity Exchange of India Limited, NSE Clearing Limited, National Securities Depository Limited, Central Depository Services (India) Limited and other government and regulatory agencies.

Your Directors are grateful to the Company's customers and bankers for their continued support.

We would also like to thank all our shareholders for their support in our endeavours.

**On behalf of the Board of Directors**

**Place: Mumbai**  
**Date: 13th April 2022**

**Dhiraj Relli**  
**Managing Director**

**Ashish Rathi**  
**Whole Time Director**

## Annexure I

### FORM NO. AOC-2

[Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014]

**Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm length transactions under third proviso thereto.**

1. **Details of contracts or arrangements or transactions not at arm's length basis : Nil**
2. **Details of material contracts or arrangements or transactions at arm's length basis**

|     |  |  |
|-----|--|--|
| (a) | Name(s) of the related party and nature of relationship                                    | 1. HDFC Bank Limited (Holding Company)<br>2. HDB Financial Services Limited. (Enterprise under common control of the Holding Company)  |
| (b) | Nature of contracts / arrangements / transactions  | Banking and other normal business transactions (Mentioned in the notes forming part of the financial statements at Note no. 42).   |
| (c) | Duration of the contracts / arrangements / transactions.                                   | Usually annual, however, depends on the nature of transaction.   |
| (d) | Salient terms of the contracts or arrangements or transactions including the value, if any | Maintained at arm's length similar to third party contracts. Value of such transactions during the financial year is mentioned in the notes forming part of the financial statements at Note no. 42. |
| (e) | Justification for entering into such contracts or arrangements or transactions.            | Competitive Pricing and Value of services rendered.  |
| (f) | Date (s) of approval by the Board, if any  | N.A.   |
| (g) | Amount paid as advances, if any  | N.A.   |

**On behalf of the Board of Directors**

**Place: Mumbai**  
**Date: 13th April 2022**

**Dhiraj Relli**  
**Managing Director**

**Ashish Rathi**  
**Whole Time Director**

## Annexure II

### REPORT ON CSR ACTIVITIES/INITIATIVES

[Pursuant to Section 135 of the Act & Rules made thereunder]

|                     |                         |
|---------------------|-------------------------|
| <b>Company Name</b> | HDFC Securities Limited |
| <b>CIN Number</b>   | U67120MH2000PLC152193   |

**1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.**

As a responsible Corporate Citizen, the Company strives for community empowerment through socio-economic development of underprivileged and marginalized sections of the society. It has been the Company's endeavor to put more value on bringing social good, which is beneficial to the society and thus making a difference in the livelihood of the people.

Our belief in good citizenship is a driver to create maximum impact through our CSR programs in areas of:

1. Education
2. Medical Assistance
3. Health and sanitation
4. Sports
5. Skill development

**2. The Composition of the CSR Committee.**

HDFC SECURITIES has constituted a robust governance structure to oversee the implementation of the CSR projects, in compliance with the requirements of Section 135 of the Companies Act, 2013. The members of the CSR committee as on March 31, 2022.

| Name                    | Designation | No. of CSR Committee Meetings | No. of CSR Committee Meetings attended |
|-------------------------|-------------|-------------------------------|--|
| Mr. Bharat Shah*        | Member      | 3                             | 3                                      |
| Dr. (Mrs.) Amla Samanta | Member      | 3                             | 3                                      |
| Mr. Dhiraj Relli        | Member      | 3                             | 3                                      |
| Mr. Malay Patel**       | Member      | -                             | -                                      |

\* Mr. Bharat Shah ceased to be member of the committee with effect from 28.02.2022

\*\* Mr. Malay Patel was appointed as the Member of the Committee with effect from 07.04.2022

**3. Link to Policy, Committee Composition and Project Details:**

<https://www.hdfcsec.com/csr-secretary-updates>

**4. Impact Assessment Report of CSR Projects**

Yes. <https://www.hdfcsec.com/csr-secretary-updates>

**5. Amount Available - Previous Years Unutilised + Current Year Budget**

The CSR budget for FY 2022 was calculated as (previous 3 yr. Avg. Profit Before Tax) which is:  
Average Net Profit as per Sec 135(5): INR 650,00,00,000/-

6. A. 2% thereof of the Net profit: INR 13,00,00,000/-  
 B. Surplus arising out of the CSR Projects of previous Financial Years: NIL  
 C. Amount required to be set off for the Financial Year: NIL  
 D. Total CSR Obligation for the Financial Year: INR 13, 00,00,000/-

7. A. CSR Amount Spent or Unspent for the FY 2022:

| Total Spent        | Amount transferred to Unspent CSR Account |      | Amount transferred to any specified fund. |        |      |
|--------------------|---|------|---|--------|------|
|                    | Amount                                    | Date | Name of the Fund                          | Amount | Date |
| INR 13,00,22,083/- | NIL                                       | NA   | NA  | NA     | NA   |

B. Details of CSR amount spent against ongoing projects for the financial year:

| #  | Name of the Project | Item from the list of activities in Schedule VII to the Act. | Local area | Location of the project. - State and District | Amount spent for the project (in Rs.). | Mode of Imp'tion Direct (Yes/No) | Mode of Imp'tion Through Implementing Agency |                         |
|----|---------------------|--|------------|---|--|----------------------------------|--|-------------------------|
|    |                     |  |            |   |  |                                  | Name   | CSR Registration Number |
| NA | NA                  | NA   | NA         | NA  | NA                                     | NA                               | NA   | NA                      |

C. Details of CSR amount spent against other than ongoing projects for the financial year:

| # | Name of the Project   | Item from the list of activities in Schedule VII to the Act. | Local area | Location of the project. - State and District | Project duration | Amount allocated for the project (in Rs.) | Amount spent in the FY2020 (in Rs.) | Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.) | Mode of Imp'tion - Direct (Yes / No) | Mode of Imp'tion Through Implementing Agency |                         |
|---|---|--|------------|---|------------------|---|-------------------------------------|--|--------------------------------------|--|-------------------------|
|   |   |  |            |   |                  |   |                                     |  |                                      | Name   | CSR Registration Number |
| 1 | Provide round the clock pre-hospital emergency transportation care (ambulance) service on the border areas to the Army personnel and the communities around the area of conflict. | Healthcare   | No         | Jammu & Kashmir                               | FY 2022          | 34,24,190                                 | 34,24,190                           | 0  | NO                                   | Borderless World Foundation                  | CSR00002223             |
| 2 | Water and Sanitation facilities at 10 schools in Raigad   | Education  | No         | Lonavala, Maharashtra                         | FY 2022          | 80,50,000                                 | 80,50,000                           | 0  | NO                                   | Yuva Unstoppable                             | CSR00000473             |
| 3 | Setting up Google Future Classrooms in 40 village schools in Gujarat Maharashtra and UP   | Education  | No         | Maharashtra, Gujarat, Uttar Pradesh           | FY 2022          | 4,67,13,000                               | 4,67,13,000                         | 0  | NO                                   | Yuva Unstoppable                             | CSR00000473             |

| #  | Name of the Project  | Item from the list of activities in Schedule VII to the Act.       | Local area | Location of the project. - State and District | Project duration | Amount allocated for the project (in Rs.) | Amount spent in the FY2020 (in Rs.) | Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.) | Mode of Imp'tion - Direct (Yes / No) | Mode of Imp'tion Through Implementing Agency                    |                         |
|----|--|--|------------|---|------------------|---|-------------------------------------|--|--------------------------------------|---|-------------------------|
|    |  |  |            |   |                  |   |                                     |  |                                      | Name  | CSR Registration Number |
| 4  | Procurement of 5 vehicles for distributing food to schools from Akshaya Patra kitchen in Bhavnagar, Surat and Vrindavan  | Eradicating Hunger   | No         | Bhavnagar, Surat and Vrindavan, Gujarat State | FY 2022          | 76,01,851                                 | 76,01,851                           | 0  | NO                                   | Akshay Patra  | CSR00000286             |
| 5  | Provide scholarships to 650 students (@ INR 18,000*) from 9 Isha schools in underprivileged rural locations in Tamil Nadu  | Education  | No         | Tamil Nadu                                    | FY 2022          | 11,700,000                                | 11,700,000                          | 0  | NO                                   | India Sponsorship Committee                                     | CSR00001870             |
| 6  | Provide Infra management support for Recurring Activities like Sponsorship of 3 Balgram sadans, and the "Shiksha, Suraksha and Saksham" projects in Pune municipal schools | Education  | No         | Pan-India                                     | FY 2022          | 77,49,000                                 | 77,49,000                           | 0  | NO                                   | India Sponsorship Committee                                     | CSR00001870             |
| 7  | Support and Training for Olympic Athletes  | Promotion of National Sports, Olympic Sports and Paralympic sports | No         | Tamilnadu                                     | FY 2022          | 1,25,00,000                               | 1,25,00,000                         | 0  | NO                                   | Foundation for Promotion of Sports and Games-Olympic Gold Quest | CSR00001100             |
| 8  | Financial assistance for medical treatment of lower income groups  | Healthcare   | No         | Maharashtra                                   | FY 2022          | 50,00,000                                 | 50,00,000                           | 0  | NO                                   | Nana Palkar Smruti Samiti                                       | CSR00001230             |
| 9  | Support to Day care center   | Healthcare   | No         | Borivali, Mumbai                              | FY 2022          | 22,94,804                                 | 22,94,804                           | 0  | NO                                   | Nana Palkar Smruti Samiti                                       | CSR00001230             |
| 10 | Purchase E-Vehicles for Distribution of Food and CCTV Cameras  | Eradicating Hunger   | No         | Hubli, Vrindavan, Bhubaneswar                 | FY 2022          | 14,52,238                                 | 14,52,238                           | 0  | NO                                   | Akshay Patra  | CSR00000286             |
| 11 | Digital Classroom & Water Equipment  | Promotion of Education   | No         | Tamilnadu                                     | FY 2022          | 50,62,000                                 | 50,62,000                           | 0  | NO                                   | Isha Vidhya   | CSR00002614             |

| #  | Name of the Project                      | Item from the list of activities in Schedule VII to the Act.       | Local area | Location of the project. - State and District | Project duration | Amount allocated for the project (in Rs.) | Amount spent in the FY2020 (in Rs.) | Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.) | Mode of Imp'tion - Direct (Yes / No) | Mode of Imp'tion Through Implementing Agency |                         |
|----|--|--|------------|---|------------------|---|-------------------------------------|--|--------------------------------------|--|-------------------------|
|    |  |  |            |   |                  |   |                                     |  |                                      | Name   | CSR Registration Number |
| 12 | Promoting education and Health Awareness | Promotion of Education   | No         | Maharashtra, Gujrat                           | FY 2022          | 99,00,000                                 | 99,00,000                           | 0  | NO                                   | Yuva Unstoppable                             | CSR00000473             |
| 13 | Sadan Support and Capacity Building      | Promotion of Education   | No         | Lonavala and Pune Maharashtra                 | FY 2022          | 50,00,000                                 | 50,00,000                           | 0  | NO                                   | India Sponsorship Committee                  | CSR00001870             |
| 14 | Support & Training to Olympic Athlete    | Promotion of National Sports, Olympic Sports and Paralympic sports | No         | Pan-India                                     | FY 2022          | 25,00,000                                 | 25,00,000                           | 0  | NO                                   | Foundation for Promotion of Sports and Games | CSR00001100             |
| 15 | CSR Administration Cost                  |  | No         |   | FY 2022          | 10,75,000                                 | 10,75,000                           | 0  | NO                                   | Goodera                                      |                         |

**D. Amount spent in Administrative Overheads: INR 10,75,000**

**E. Amount spent on Impact Assessment if applicable: Included in Administrative Overhead above**

**F. Total amount spent for the Financial Year (8b+8c+8d+8e): INR 13,00,22,083**

**G. Excess amount for set off if any**

- Two percent of average net profit of the company as per section 135(5) – INR 13,00,00,000
- Total amount spent for the Financial Year – INR 13, 00, 22,083
- Excess amount spent for the financial year [(ii)-(i)] – INR 22,083
- Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any: 0
- Amount available for set off in succeeding financial years [(iii)-(iv)]: INR 22,083

**8. A. Details of Unspent CSR amount for past 3 years**

| Preceding FY | Amount transferred to Unspent CSR Account | Amount spent in Reporting FY | Amount transferred to any fund specified under Schedule VII as per section 135(6), if any. |        |      | Preceding Amount remaining to be spent in succeeding financial years. (In Rs.) FY |
|--------------|---|------------------------------|--|--------|------|---|
|              |   |                              | Name   | Amount | Date |   |
| 2021-22      | 0   | 13, 00, 22,083               | NA   | NA     | NA   | NIL   |
| 2020-21      | 0   | 10,19,66,907                 | NA   | NA     | NA   | NIL   |
| 2019-20      | 0   | 9,00,09,956                  | NA   | NA     | NA   | NIL   |

**B. Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): NIL.**

9. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year:

| SI No. | Asset ID | Date of creation or acquisition of the capital asset(s). | Amount of CSR spent for creation or acquisition of capital asset. | Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. | Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). |
|--------|----------|--|---|--|---|
| Nil    | Nil      | Nil  | Nil   | Nil  | Nil   |

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

Company has allocated all the CSR funds to ongoing projects as per the CSR guidelines. Since the company spent the entire 2% prescribed budget, this question is not applicable.

**A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.**

The implementation and monitoring of our CSR Policy is in compliance with the CSR objectives and policies as laid down in this report. The CSR Committee of the Board is responsible for the integrity and the objectivity of all the information provided in the disclosure above. All the projects reported have been considered and undertaken with the best of our intentions to contribute to the greater good of the society. We have undertaken and implemented these projects with careful consideration and these projects are aligned with our vision as provided in our CSR Policy. In line with the requirements of the Companies Act, 2013, we have also instituted monitoring mechanisms to ensure that the projects go on smoothly as planned.

**On behalf of the Board of Directors**

**Place: Mumbai**

**Date: 13th April 2022**

**Samir Bhatia**  
**Chairman of the Board**  
**Meeting held on**  
**13th April 2022**

**Dhiraj Relli**  
**Managing Director**

**Ashish Rathi**  
**Whole Time Director**

### Annexure III

- Details of Employee Stock Option

| Scheme     | Option Granted | Option Vested | Option Exercised | Total No of Share arising as a result of Exercise of Option | Option lapsed | Exercise price | Variation in term of option | Money realized by exercise of option | Total Number of option in force |
|------------|----------------|---------------|------------------|---|---------------|----------------|-----------------------------|--------------------------------------|---------------------------------|
| SCHEME II  | -              | 3,000         | 3,000            | 3,000   | -             | 1136           | No                          | 89,25,000                            |                                 |
| SCHEME III | -              | 24900         | 23750            | 23750   | -             | 4844           | No                          |                                      | 650                             |
| SCHEME IV  | -              | 41125         | 35650            | 35650   | -             | 5,458          | No                          |                                      | 2850                            |
| SCHEME V   | 67,500         | 0             | 0                | 0   | 0             | 6098           | No                          | 0                                    | 67,500                          |
| SCHEME VI  | 43,000         | 0             | 0                | 0   | 0             | 8,051          | No                          | 0                                    | 43,000                          |

- Details of option granted to Key Managerial Personnel

| Sr.No | Name               | Designation       | Option Granted |
|-------|--------------------|-------------------|----------------|
| 1.    | Mr. Dhiraj Relli   | Managing Director | 20,800         |
| 2.    | Mr. Mitul Palankar | Company Secretary | 1,500          |

- Details of option granted to any other employee who receive a grant of options amounting to 5% or more of Option during the year:

| Sr.No | Name | Designation | Option Granted |
|-------|------|-------------|----------------|
| NIL   |      |             |                |

- Details of option granted identified employee during any one year equal to or exceeding one of the Issued Capital

| Sr.No | Name | Designation | Option Granted |
|-------|------|-------------|----------------|
| NIL   |      |             |                |

On behalf of the Board of Directors

Place: Mumbai  
Date: 13th April 2022

Dhiraj Relli  
Managing Director

Ashish Rathi  
Whole Time Director

## Annexure IV

### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2022

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

To  
The Members,  
**HDFC Securities Limited**  
**CIN: U67120MH2000PLC152193**

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

Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31st March, 2022** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2022 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings#.
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011#;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018#;
  - d. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021#;
  - e. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021#;
  - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021#; and

h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018#;

# The Regulations or Guidelines, as the case may be were not applicable for the period under review.

We have examined compliance with the laws and regulations specifically applicable to the Company as mentioned hereunder:

- vi. The Securities and Exchange Board of India (Research Analysts) Regulations, 2019.
- vii. The Securities and Exchange Board of India (Investment Advisors) Regulations, 2013.
- viii. The Securities and Exchange Board of India (Stock Brokers) Regulations, 1992  
except guidelines, circulars, master circulars and directions issued by the Securities and Exchange Board of India and the Stock Exchanges and applicable to the Company as a stock broker relating to its day to-day operations in the ordinary course of business;

We have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, if applicable #.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above to the extent applicable.

**We further report that –**

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

Adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance for meetings other than those held at shorter notice, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

During the period under review, decisions were carried through unanimously and no dissenting views were observed, while reviewing the minutes.

**We further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that** during the audit period, the Company has undertaken following events /actions –

- I. Member's approval has been obtained at the 21st Annual General meeting held on July 15, 2021 for:
  - Increase in the limits of borrowing by the Board of Directors of the Company under section 180 (1) (c) of the Companies Act, 2013 not exceeding a sum of Rs. 6,000 crore.
  - Increase in the limits for loans, inter corporate deposits, give guarantees in excess of the limits prescribed in Section 186 of the Companies Act, 2013 up to an aggregate sum of Rs. 7,500 crore.

- II. The Company has issued/allotted 62,400 equity shares under the Employee Stock Option Scheme. (ESOS III & IV).
- III. The Company has issued 153 Commercial Papers aggregating Rs. 16,650 crore and redeemed 133 Commercial Papers aggregating Rs. 14,250 crore pursuant to maturity.

**For Bhandari & Associates  
Company Secretaries**

Sd/-

**S. N. Bhandari**

**Partner**

FCS No: 761; C P No. : 366

Mumbai|April 13, 2022

UDIN: F000761D000098650

This report is to be read with our letter of even date which is annexed as Annexure 'A' and forms an integral part of this report.

## 'Annexure A'

To  
The Members,  
**HDFC SECURITIES LIMITED**  
**CIN: U67120MH2000PLC152193**

Our Secretarial Audit Report for the Financial Year ended on March 31, 2022 of even date is to be read along with this letter.

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

**For Bhandari & Associates**  
**Company Secretaries**

**S. N. Bhandari**  
**Partner**  
FCS No: 761; CP. No: 366  
Mumbai|April 13, 2022  
UDIN: F000761D000098650

# INDEPENDENT AUDITORS' REPORT

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## To the Members of HDFC Securities Limited

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of HDFC Securities Limited ("the Company"), which comprise the balance sheet as at 31 March 2022, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("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 state of affairs of the Company as at 31 March 2022, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

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 Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

#### Key Audit Matters

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

## Description of Key Audit Matter

| The Key Audit Matter  | How the matter was addressed in our audit  |
|---|--|
| <p><b>IT systems and controls</b></p> <p>The Company's key financial accounting and reporting processes are dependent on the automated controls in information systems, such that there exists a risk that gaps in the IT control environment could impact the financial accounting and reporting significantly.</p> <p>The Company uses Sun system for its overall financial reporting. The Company's General Ledger system used in financial reporting is interfaced with other IT systems which process transactions of account relevant for financial reporting.</p> <p>We have focused on user access management, change management, segregation of duties, system reconciliation controls and system application controls over key financial accounting and reporting systems</p> | <p>Our audit procedures to assess the IT systems and controls included the following:</p> <ul style="list-style-type: none"> <li>• Performed testing the design of General IT Controls (GITCs) for the audit period which included controls over access to program and data, program changes, system changes, program development, computer operations (job processing, data backup, system backup, incident management) over financial accounting and reporting systems and related IT systems (referred to as 'in-scope systems').</li> <li>• Testing the operating effectiveness of GITCs for the audit period over the in-scope systems as follows:               <ol style="list-style-type: none"> <li>a. User access creation, modification and revocation process;</li> <li>b. User access review process; – Segregation of duties; password policies; Application change management procedures; and</li> <li>c. Computer Operations process (automated job processes, backups and incident management).</li> </ol> </li> <li>• Understanding IT application controls for the audit period for significant accounts, testing interfaces, reports, reconciliations and system processing for significant accounts determined by us during our risk assessment. We tested the change management controls to determine that these controls remained unchanged during the audit period and in case of changes, were changes followed the standard process.</li> <li>• Understanding IT infrastructure records for the in-scope systems i.e. operating systems and databases</li> </ul> |

## Other Information (or another title if appropriate, such as "Information Other than the Financial Statements and Auditors' Report Thereon")

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon. The Company's annual report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. When we read the Company's annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

## Management's and Board of Directors' Responsibility for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs,

profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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

and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

## **Report on Other Legal and Regulatory Requirements**

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

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act.
- e) On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

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

- i. The Company has disclosed the impact of pending litigations as at 31 March 2022 on its financial position in its financial statements - Refer Note 36 to the financial statements;

- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv. (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
    - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or
    - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries(b) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:
    - directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
    - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.(c) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (iv) (a) and (iv) (b) contain any material mis- statement.
  - v. The dividend declared or paid during the year by the Company is in compliance with Section 123 of the Act.
- (C) With respect to the matter to be included in the Auditors' Report under section 197(16): In our opinion and according to the information and explanations given to us, the remuneration paid by the company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No. 101248W/W-100022

Sd/-

**Ritesh Goyal**

Partner

Place: Mumbai

Date: 13 April 2022

Membership No. 115007 UDIN: 22115007AGYKOK4451

## Annexure A to the Independent Auditor's Report of even date on financial statements of HDFC Securities Limited

### (Referred to in our report of even date)

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular program of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of 3 years. In accordance with this program, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets during the year.
- (e) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The Company is a service company, primarily rendering broking services to its clients in the capital market. Accordingly, it does not hold any physical inventories. Accordingly, clause 3(ii)(a) of the Order is not applicable
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has made investments, granted secured loans to companies, limited liability partnership and other parties in respect of which the requisite information is as below:
- (a) Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has provided loans to any other entity as below:

(Rs. in Lakhs)

| Particulars                                  | Guarantees | Security | Loans   | Advances in nature of loans |
|--|------------|----------|---------|-----------------------------|
| Aggregate amount during the year             |            |          |         |                             |
| - Subsidiaries*                              | -          | -        | -       | -                           |
| - Joint ventures*                            | -          | -        | -       | -                           |
| - Associates*                                | -          | -        | -       | -                           |
| - Others #                                   | -          | -        | 160,933 | -                           |
| Balance outstanding as at balance sheet date |            |          |         |                             |
| - Subsidiaries*                              | -          | -        | -       | -                           |
| - Joint ventures*                            | -          | -        | -       | -                           |
| - Associates*                                | -          | -        | -       | -                           |
| - Others                                     | -          | -        | 328,348 | -                           |

\*As per Companies Act, 2013

# The amount represents difference between amount outstanding at 31 March 2022 and 31 March 2021.

- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that the investments made and the terms and conditions of the grant of loans provided are, prima facie, not prejudicial to the interest of the Company.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular. Further, the Company has not given any advance in the nature of loan to any party during the year.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.
- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, made investments or provided guarantees and securities under Section 185 of the Act. The Company has complied with the provisions of Sections 186 of the Act in respect of grant of loans and making investments. The Company has not provided any guarantees and securities. Accordingly, para 3(iv) of the Order is not applicable to that extent.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Companies Act, 2013 for the services provided by it. Accordingly, clause 3(vi) of the Order is not applicable.

- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax and other statutory dues have been regularly deposited with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of GST, Provident fund, Employees' State Insurance, Income-Tax and other statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, statutory dues relating to GST, Provident Fund, Employees State Insurance, Income-Tax or other statutory dues which have not been deposited on account of any dispute are as follows:

| Name of the statute               | Nature of the dues | Amount (Rs. in lakhs) | Period to which the amount relates  | Forum where dispute is pending                    | Remarks, if any |
|-----------------------------------|--------------------|-----------------------|-------------------------------------|---|-----------------|
| Finance Act, 1994                 | Service Tax        | 4                     | Financial Years 2004-05 and 2005-06 | Commissioner of Central Excise (Appeal)           | None            |
| Finance Act, 1994                 | Service Tax        | 1                     | Financial Years 2014-15 to 2017-18  | Deputy / Assistant Commissioner Div. II           | None            |
| Finance Act, 1994                 | Service Tax        | 5                     | Financial Years 2014-15 to 2017-18  | Deputy / Assistant Commissioner Div. II           | None            |
| Jammu and Kashmir Stamp Act, 1977 | Stamp Duty         | 58                    | Financial Years 2011-12 and 2016-17 | Jammu and Kashmir High Court                      | None            |
| Finance Act, 1994                 | Service Tax        | 713                   | Financial Year 2012-13 to 2017-18   | Custom, Excise and Service Tax Appellate Tribunal | None            |
| Income Act, 1961                  | Income Tax         | 253                   | Assessment 2012-13 Year             | Commissioner of Income Tax (Appeal)               | None            |
| Income Act, 1961                  | Income Tax         | 65                    | Assessment 2014-15 Year             | Commissioner of Income Tax (Appeal)               | None            |
| Income Act, 1961                  | Income Tax         | 2,516                 | Assessment 2017-18 Year             | Commissioner of Income Tax (Appeal)               | None            |
| Income Act, 1961                  | Income Tax         | 1,875                 | Assessment 2018-19 Year             | Commissioner of Income Tax (Appeal)               | None            |
| Income Act, 1961                  | Income Tax         | 301                   | Assessment 2013-14 year             | Commissioner of Income Tax (Appeal)               | None            |

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to banks or financial institutions during the year. Further, the Company did not have any outstanding loans or borrowings from any other lender during the year.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) In our opinion and according to the information and explanations given to us by the management, no term loans were obtained by the management.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) The Company does not hold any investment in any subsidiary, associate or joint venture (as defined under Companies Act, 2013) during the year ended 31 March 2022. Accordingly, clause 3(ix)(e) is not applicable.
- (f) The Company does not have subsidiary, associate or joint venture (as defined under Companies Act, 2013) during the year ended 31 March 2022. Accordingly, clause 3(ix)(f) is not applicable.
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) (a) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.

- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) The Company is a part of a group in which there are no CIC. Accordingly, the requirements of clause 3(xvi)(d) are not applicable
- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- Also refer to the Other Information paragraph of our main audit report which explains that the other information comprising the information included in the annual report is expected to be made available to us after the date of this auditor's report.
- (xx) (a) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of section 135 of the Companies Act, 2013 pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.
- (b) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of section 135 of the Companies Act, 2013 pursuant to any ongoing project. Accordingly, clause 3(xx)(b) of the Order is not applicable.
- (xxi) The Company does not have subsidiary, associate or joint venture (as defined under Companies Act, 2013) during the year ended 31 March 2022. Accordingly, clause 3(xxi) is not applicable.

For **B S R & Co. LLP**  
Chartered Accountants  
Firm's Registration No. 101248W/W-100022

Sd/-

**Ritesh Goyal**  
Partner

Membership No. 115007 UDIN: 22115007AGYKOK4451

Place: Mumbai  
Date: 13 April 2022

## **Annexure B to the Independent Auditor's Report on the financial statements of HDFC Securities Limited for the year ended 31 March 2022.**

### **Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013**

(Referred to in paragraph 1(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

#### **Opinion**

We have audited the internal financial controls with reference to financial statements of HDFC Securities Limited ("the Company") as of 31 March 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

#### **Management's Responsibility for Internal Financial Controls**

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company 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 company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's

judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

### **Meaning of Internal Financial controls with Reference to Financial Statements**

A company's internal financial controls with reference to 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 financial statements include 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 Financial Statements**

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

For **B S R & Co. LLP**  
Chartered Accountants  
Firm's Registration No. 101248W/W-100022

Place: Mumbai  
Date: 13 April 2022

Sd/-  
**Ritesh Goyal**  
Partner  
Membership No. 115007  
UDIN: 22115007AGYKOK4451

# BALANCE SHEET

## Balance Sheet as at 31 March 2022

(₹ in lacs)

| Particulars  | Note | As at          |                |
|--|------|----------------|----------------|
|  |      | 31 March 2022  | 31 March 2021  |
| <b>ASSETS</b>  |      |                |                |
| <b>Financial Assets</b>  |      |                |                |
| Cash and cash equivalents  | 4    | 96,792         | 59,854         |
| Bank Balance other than (4) above  | 5    | 263,091        | 157,981        |
| Receivables  |      |                |                |
| Trade Receivables  | 6    | 50,586         | 43,961         |
| Loans  | 7    | 328,348        | 167,415        |
| Investments  | 8    | 24,377         | 23,595         |
| Other Financial Assets   | 9    | 6,102          | 4,385          |
|  |      | 769,296        | 457,191        |
| <b>Non-Financial Assets</b>  |      |                |                |
| Current tax assets (Net)   |      | 3,049          | 2,232          |
| Deferred tax Assets (Net)  | 34   | -              | 61             |
| Investment Property  | 10   | 1,397          | 1,424          |
| Property, Plant and Equipment  | 11   | 7,584          | 6,015          |
| Right-of-use assets  | 12   | 6,147          | 5,285          |
| Capital work-in-progress   | 11   | 319            | 494            |
| Intangible assets under development  | 11   | 1,151          | 585            |
| Other Intangible assets  | 11   | 1,968          | 1,638          |
| Other non-financial assets   | 13   | 1,343          | 966            |
|  |      | 22,958         | 18,700         |
| <b>TOTAL ASSETS</b>  |      | <b>792,254</b> | <b>475,891</b> |
| <b>LIABILITIES AND EQUITY</b>  |      |                |                |
| <b>LIABILITIES</b>   |      |                |                |
| <b>Financial Liabilities</b>   |      |                |                |
| Payables   | 14   |                |                |
| Trade Payables   |      |                |                |
| - total outstanding dues of micro enterprises and small enterprises                      |      | 11             | 28             |
| - total outstanding dues of creditors other than micro enterprises and small enterprises |      | 142,057        | 103,959        |
| Borrowings   | 15   | 461,914        | 204,043        |
| Lease Liabilities  | 16   | 6,936          | 5,990          |
| Other financial liabilities  | 17   | 469            | 291            |
|  |      | 611,387        | 314,311        |
| <b>Non-Financial Liabilities</b>   |      |                |                |
| Current tax liabilities (Net)  |      | 179            | 179            |
| Provisions   | 18   | 11,733         | 8,747          |
| Deferred tax liabilities (Net)   | 34   | 280            | -              |
| Other non-financial liabilities  | 19   | 2,884          | 4,623          |
|  |      | 15,075         | 13,549         |
| Equity   |      |                |                |
| Equity Share capital   | 20   | 1,583          | 1,577          |
| Other Equity   | 21   | 164,208        | 146,454        |
|  |      | 165,791        | 148,031        |
| <b>TOTAL LIABILITIES AND EQUITY</b>  |      | <b>792,254</b> | <b>475,891</b> |

The accompanying notes form an integral part of this financial statements (1 to 55)

As per our report of even date.

### For B S R & Co. LLP

Chartered Accountants  
ICAI Firm Registration Number: 101248W/W-100022

### RITESH GOYAL

Partner  
Membership No. 115007

Place: Mumbai  
Date: 13 April 2022

For and on behalf of the Board of Directors of  
**HDFC Securities Limited**  
CIN Number: U67120MH2000PLC152193

### DHIRAJ RELLI

Managing Director  
DIN: 07151265

### ASHISH RATHI

Whole Time Director  
DIN: 07731968  
Place: Mumbai  
Date: 13 April 2022

### KUNAL SANGHAVI

Chief Financial Officer

### MITUL PALANKAR

Company Secretary

# PROFIT & LOSS ACCOUNT

## Statement of Profit and Loss for the year ended 31 March 2022

(₹ in lacs)

| Particulars  | Note     | As at          |                |
|--|----------|----------------|----------------|
|  |          | 31 March 2022  | 31 March 2021  |
| <b>Revenue from operations</b>   |          |                |                |
| Brokerage and Fee Income   | 22       | 140,937        | 114,024        |
| Interest Income  | 23       | 52,804         | 21,110         |
| Sale of Services   | 24       | 1,466          | 560            |
| Net gain on fair value changes   | 25       | 2,132          | 907            |
| Rental Income  | 26       | 207            | 207            |
| Dividend Income  | 27       | 11             | 8              |
| <b>Total Revenue from operations</b>                                   |          | <b>197,557</b> | <b>136,816</b> |
| Other Income   | 28       | 1,474          | 3,127          |
| <b>Total Income</b>  |          | <b>199,031</b> | <b>139,943</b> |
| <b>Expenses</b>  |          |                |                |
| Finance Costs  | 29       | 15,634         | 5,307          |
| Impairment on financial instruments                                    | 30       | 590            | 705            |
| Employee Benefits Expenses   | 31       | 25,740         | 23,357         |
| Depreciation, amortization and impairment                              | 10,11,12 | 4,230          | 3,629          |
| Other expenses   | 32       | 20,806         | 12,385         |
| <b>Total Expenses</b>  |          | <b>67,000</b>  | <b>45,382</b>  |
| <b>Profit before tax</b>   |          | <b>132,031</b> | <b>94,561</b>  |
| <b>Tax expense</b>   | 34       |                |                |
| Current Tax  |          | 33,217         | 24,074         |
| Deferred Tax   |          | 380            | 165            |
| <b>Total tax expense</b>   |          | <b>33,597</b>  | <b>24,239</b>  |
| <b>Profit for the year</b>   |          | <b>98,434</b>  | <b>70,323</b>  |
| <b>Other comprehensive income :</b>                                    |          |                |                |
| Items that will not be reclassified to profit or loss:                 |          |                |                |
| Re-measurement gains / (losses) on defined benefit plans               |          | (155)          | 3              |
| Income tax effect  |          | 39             | (1)            |
| Other comprehensive income for the year, net of tax                    |          | (116)          | 2              |
| <b>Total comprehensive income for the period, net of tax</b>           |          | <b>98,318</b>  | <b>70,325</b>  |
| <b>Earnings per equity share - [Nominal value of the shares Rs 10]</b> |          |                |                |
| Basic  |          | 623.21         | 446.64         |
| Diluted  |          | 621.78         | 446.54         |

The accompanying notes form an integral part of this financial statements (1 to 55)

As per our report of even date.

### For B S R & Co. LLP

Chartered Accountants  
ICAI Firm Registration Number: 101248W/W-100022

### RITESH GOYAL

Partner  
Membership No. 115007

Place: Mumbai

Date: 13 April 2022

For and on behalf of the Board of Directors of

### HDFC Securities Limited

CIN Number: U67120MH2000PLC152193

### DHIRAJ RELLI

Managing Director  
DIN: 07151265

### ASHISH RATHI

Whole Time Director  
DIN: 07731968  
Place: Mumbai  
Date: 13 April 2022

### KUNAL SANGHAVI

Chief Financial Officer

### MITUL PALANKAR

Company Secretary

# STATEMENT OF CHANGES IN EQUITY

## Statement of Changes in Equity for the year ended 31 March 2022

### Equity Share Capital

Equity shares of ₹10 each issued, subscribed and fully paid

(₹ in lacs)

|   | Number of shares | Amount |
|---|------------------|--------|
| Balance as at 1 April 2021                        | 15,766,575       | 1,577  |
| Changes in equity share capital during FY 2021-22 | 62,400           | 6      |
| Balance as at 31 March 2022                       | 15,828,975       | 1,583  |

Equity shares of ₹10 each issued, subscribed and fully paid

|   | Number of shares | Amount |
|---|------------------|--------|
| Balance as at 1 April 2020                        | 15,729,975       | 1,573  |
| Changes in equity share capital during FY 2020-21 | 36,600           | 4      |
| Balance as at 31 March 2021                       | 15,766,575       | 1,577  |

### Other Equity

|   | Reserves and Surplus        |                    |                 |                                  |                   | other comprehensive income | Total    |
|---|-----------------------------|--------------------|-----------------|----------------------------------|-------------------|----------------------------|----------|
|   | Share based payment reserve | Securities premium | General reserve | Capital Contribution from parent | Retained Earnings |                            |          |
| Balance as at 1 April 2021                                      | 1,223                       | 8,634              | 2,500           | 2,434                            | 131,490           | 173                        | 146,454  |
| Transfer to Securities Premium from share based payment reserve | (1,003)                     | 1,003              | -               | -                                | -                 | -                          | -        |
| Premium on issue of share capital                               | -                           | 3,124              | -               | -                                | -                 | -                          | 3,124    |
| Profit For the year   | -                           | -                  | -               | -                                | 98,434            | -                          | 98,434   |
| Dividends excluding dividend tax                                | -                           | -                  | -               | -                                | (86,462)          | -                          | (86,462) |
| Dividend Distribution Tax                                       | -                           | -                  | -               | -                                | -                 | -                          | -        |
| Share based payment cost  | 1,911                       | -                  | -               | 864                              | -                 | -                          | 2,775    |
| Other Comprehensive Income                                      | -                           | -                  | -               | -                                | -                 | (116)                      | (116)    |
| Balance as at 31 March 2022                                     | 2,131                       | 12,761             | 2,500           | 3,298                            | 143,462           | 57                         | 164,208  |

### Other Equity

|   | Reserves and Surplus        |                    |                 |                                  |                   | other comprehensive income | Total    |
|---|-----------------------------|--------------------|-----------------|----------------------------------|-------------------|----------------------------|----------|
|   | Share based payment reserve | Securities premium | General reserve | Capital Contribution from parent | Retained Earnings |                            |          |
| Balance as at 1 April 2020                                      | 707                         | 7,007              | 2,500           | 1,537                            | 111,265           | 171                        | 123,187  |
| Transfer to Securities Premium from share based payment reserve | (395)                       | 395                | -               | -                                | -                 | -                          | -        |
| Premium on issue of share capital                               | -                           | 1,232              | -               | -                                | -                 | -                          | 1,232    |
| Profit For the year   | -                           | -                  | -               | -                                | 70,323            | -                          | 70,323   |
| Dividends excluding dividend tax                                | -                           | -                  | -               | -                                | (50,098)          | -                          | (50,098) |
| Dividend Distribution Tax                                       | -                           | -                  | -               | -                                | -                 | -                          | -        |
| Share based payment cost  | 911                         | -                  | -               | 897                              | -                 | -                          | 1,807    |
| Other Comprehensive Income                                      | -                           | -                  | -               | -                                | -                 | 2                          | 2        |
| Balance as at 31 March 2021                                     | 1,223                       | 8,634              | 2,500           | 2,434                            | 131,490           | 173                        | 146,453  |

Refer Note # 21 for description of the purpose of each reserve within equity (as per schedule III)

As per our report of even date.

**For B S R & Co. LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 101248W/W-100022

**RITESH GOYAL**  
Partner  
Membership No. 115007

Place: Mumbai  
Date: 13 April 2022

For and on behalf of the Board of Directors of  
**HDFC Securities Limited**  
CIN Number: U67120MH2000PLC152193

**DHIRAJ RELLI**  
Managing Director  
DIN: 07151265

**KUNAL SANGHAVI**  
Chief Financial Officer

**ASHISH RATHI**  
Whole Time Director  
DIN: 07731968  
Place: Mumbai  
Date: 13 April 2022

**MITUL PALANKAR**  
Company Secretary

# CASH FLOW STATEMENT

## Cash Flow Statement for the year ended 31 March 2022

(₹ in lacs)

|   | Year Ended       |                 |
|---|------------------|-----------------|
|   | 31 March 2022    | 31 March 2021   |
| <b>Cash Flow from operating activities</b>                      |                  |                 |
| Profit before tax   | 132,031          | 94,561          |
| <b>Adjustments</b>  |                  |                 |
| Depreciation & Amortization                                     | 4,230            | 3,629           |
| Share based payments to employees                               | 2,775            | 1,807           |
| Impairment on financial instruments                             | 590              | 705             |
| Loss on sale / w/off of Property, Plant & Equipment             | (4)              | (8)             |
| Rental income from investment property                          | (207)            | (207)           |
| Gain on sale of investment                                      | (2,132)          | (907)           |
| Finance Costs   | 15,634           | 5,307           |
| Interest income   | -                | (5)             |
| Dividend Income   | (11)             | (8)             |
|   | 152,905          | 104,874         |
| <b>Working capital adjustments:</b>                             |                  |                 |
| Decrease / (Increase) in Other Bank Balance                     | (105,110)        | (59,446)        |
| Decrease / (Increase) in trade receivables                      | (7,215)          | (28,128)        |
| Decrease / (Increase) in loans                                  | (160,933)        | (144,572)       |
| Decrease / (Increase) in Other financial assets                 | (1,717)          | 18,050          |
| Decrease / (Increase) in Other non-financial assets             | (378)            | (424)           |
| Increase/ (Decrease) in trade and other payables                | 38,081           | 38,749          |
| Increase/ (Decrease) in lease liability                         | 946              | (30)            |
| Increase/ (Decrease) in other financial liabilities             | 178              | (389)           |
| Increase/ (Decrease) in Provisions                              | 2,831            | 1,618           |
| Increase/ (Decrease) in Other non-financial liabilities         | (1,739)          | 670             |
|   | (82,151)         | (69,029)        |
| Income tax paid   | (34,034)         | (24,684)        |
| <b>Net Cash Flow (used in) / from operating activities (A)</b>  | <b>(116,185)</b> | <b>(93,713)</b> |
| <b>Investing activities</b>                                     |                  |                 |
| Purchase of property, plant and equipment                       | (7,351)          | (5,871)         |
| Purchase of Investment Property                                 | 0                | (0)             |
| Rental income received  | 207              | 207             |
| Purchase of investments   | (3,347)          | (21,004)        |
| Proceeds from sale of current investments                       | 4,696            | 1,178           |
| Dividend received   | 11               | 8               |
| Interest received   | -                | 5               |
| <b>Net cash flows (used in) / from investing activities (B)</b> | <b>(5,782)</b>   | <b>(25,477)</b> |

## Cash Flow Statement for the year ended 31 March 2022

(₹ in lacs)

|   | Year Ended     |                 |
|---|----------------|-----------------|
|   | 31 March 2022  | 31 March 2021   |
| <b>Financing activities:</b>                                      |                |                 |
| Proceeds from Issuance of equity share capital                    | 3,130          | 1,236           |
| Proceeds from Issuance of Commercial Papers                       | 1,681,914      | 418,996         |
| Redemption of Commercial Papers                                   | (1,425,000)    | (285,000)       |
| Finance Costs   | (14,677)       | (4,350)         |
| Dividend paid, including dividend tax                             | (86,462)       | (50,098)        |
| <b>Net cash flows from financing activities (C)</b>               | <b>158,905</b> | <b>80,784</b>   |
|   |                |                 |
| <b>Net increase in cash and cash equivalents (A+B+C)</b>          | <b>36,937</b>  | <b>(38,406)</b> |
| Cash and Cash equivalents at the beginning of the year            | 59,854         | 98,260          |
| Cash and Cash equivalents at the end of the year                  | <b>96,791</b>  | <b>59,854</b>   |
|   |                |                 |
| <b>Components of cash and cash equivalents</b>                    |                |                 |
|   |                |                 |
| Cash in hand*   | 0              | 0               |
| Balances with Banks - In current accounts                         | 96,792         | 59,854          |
| Cash and Cash equivalents at the end of the year (Refer Note # 4) | <b>96,792</b>  | <b>59,854</b>   |

\* Amount less than ₹ 50000

Cash flow statement is being prepared using indirect method

As per our report of even date.

**For B S R & Co. LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 101248W/W-100022

**RITESH GOYAL**  
Partner  
Membership No. 115007

Place: Mumbai  
Date: 13 April 2022

For and on behalf of the Board of Directors of  
**HDFC Securities Limited**  
CIN Number: U67120MH2000PLC152193

**DHIRAJ RELLI**  
Managing Director  
DIN: 07151265

**KUNAL SANGHAVI**  
Chief Financial Officer

**ASHISH RATHI**  
Whole Time Director  
DIN: 07731968  
Place: Mumbai  
Date: 13 April 2022

**MITUL PALANKAR**  
Company Secretary

## Notes forming part of the Financial Statements for the year ended 31 March 2022

### 1. Corporate Information

HDFC Securities Limited (the "Company") is engaged in a single line of business as a provider of broking services to its clients in capital market. The Company is a public company listed in the Debt Market in BSE that is a majority owned subsidiary of HDFC Bank Limited (the "Parent"). The Company is registered as a "Stock Broker" with the Securities and Exchange Board of India ("SEBI") and as a "Corporate Agent" with the Insurance Regulatory and Development Authority ("IRDA"). As a brokerage house, its activities includes different types of services including agency transactions, subscription based services and distribution of financial products.

HDFC Securities Limited, Lodha - I Think Techno Campus, Building - Alpha, 8th Floor, Jolly Board Campus, Kanjurmarg (East), Mumbai 400042, Maharashtra, India

### 2. Basis of preparation

#### 2.1. Statement of compliance

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS), under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ("the Act") (to the extent notified). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

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

Details of Companies Accounting Policies are included in Note 3

#### 2.2. Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest lacs, unless otherwise indicated.

#### 2.3. Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items:

| Items                                    | Measurement basis   |
|--|---|
| Certain financial assets and liabilities | Fair value (refer accounting policies regarding financial instruments)      |
| Net defined benefit (asset)/ liability   | Fair value of plan assets less present value of defined benefit obligations |
| Share Based payments                     | Fair value (refer accounting policies regarding financial instruments)      |

#### 2.4. Use of estimates & Judgements

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Estimates and underlying assumptions are reviewed ongoing basis. Changes in estimates are reflected in the financial statements in the period in which

changes are made and, if material, their effects are disclosed in the notes to the financial statements.

## I. Determination of the estimated useful lives of tangible assets

Useful lives of property, plant and equipment are taken as prescribed in Schedule II of the Act. In cases, where the useful lives are different from that prescribed in Schedule II and in case of intangible assets, they are estimated by management based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support.

## II. Recognition and measurement of defined benefit obligations

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations. Due to complexities involved in the valuation and its long term nature, defined benefit obligation is sensitive to changes in these assumptions. Further details are disclosed in note 38.

## III. Recognition of deferred tax assets / liabilities

Deferred tax assets and liabilities are recognised for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the deductible temporary differences could be utilized. Further details are disclosed in note 34.

## IV. Recognition and measurement of provision and contingencies

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the reporting date. The actual outflow of resources at a future date may therefore, vary from the amount included in other provisions.

## V. Fair valuation of employee share options

The fair valuation of the employee share options is based on the Black-Scholes model used for valuation of options. Key assumptions made with respect to expected volatility includes share price, expected dividends and discount rate, under this option pricing model. Further details are discussed in note 44.

## VI. Impairment of financial assets

The Company recognises loss allowances for expected credit losses on its financial assets measured at amortised cost. At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

### 2.5. Measurement of fair values

The Company's accounting policies and disclosures require the measurement of fair values for, both financial and non-financial assets and liabilities.

When measuring the fair value of a financial asset or a financial liability, the Company uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability,

either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

### **3. Significant accounting policies**

#### **3.1. Revenue from Contracts with Customers**

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

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

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Company satisfies a performance obligation

Income from services rendered as a broker is recognised upon rendering of the services on a trade date basis, in accordance with the terms of contract. Fees for subscription based services are received periodically but are recognised as earned on a pro-rata basis over the term of the contract. Commissions from distribution of financial products are recognised upon allotment of the securities to the applicant or as the case may be, on issue of the insurance policy to the applicant after deducting claw back provision as per the agreed terms. Commissions and fees recognised as aforesaid are exclusive of goods and service tax, securities transaction tax, stamp duties and other levies by SEBI and stock exchanges.

#### **3.2 Interest Income from Margin Trading Funding**

Interest is recognised in relation to the loans in relation to the Margin Trading Funding provided to customers. Interest income is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future receipts through expected life of the related financial asset to the gross carrying amount of such financial asset.

#### **3.3 Other Income**

Revenue from services rendered to counter parties are recognised as and when the related performance obligations are satisfied.

### 3.4 Property, plant and equipment

#### i. Recognition and measurement

Property, plant and equipment are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises purchase price and expenses directly attributable to bringing the asset to its working condition for the intended use.

Items of Property, plant and equipment that have been retired from active use and are held for disposal are stated at the lower of their net book value or net realisable value and are shown separately in the financial statements.

Gains or losses arising from disposal or retirement of tangible Property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised net, within "Other Income" or "Other Expenses", as the case maybe, in the Statement of Profit and Loss in the year of disposal or retirement.

Capital work-in-progress are Property, plant and equipment which are not yet ready for their intended use. Such assets are carried at cost comprising direct cost and related incidental expenses.

#### ii. Subsequent expenditure

Subsequent expenditure related to an item of Property, plant and equipment are added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance.

#### iii. Depreciation

Depreciation is provided on a pro-rata basis to fully depreciate the assets using the straight-line method over the estimated useful lives of the assets.

For the following categories of assets, Depreciation on Property, plant and equipment has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

| Asset                  | Estimated useful life  |
|------------------------|--|
| Computer Hardware      | 3 years  |
| Office Equipment       | 5 years  |
| Furniture and fixtures | 10 years   |
| Leasehold Improvements | over the remaining period of the lease or estimated life, whichever is shorter |
| Electricals            | 10 years   |
| Office premises        | 60 years   |

For the following categories of Property, plant and equipment, the Company has assessed useful life based on technical advice, taking into account the nature of the asset, the estimates usage of asset, the operating condition of asset, anticipated technological changes and utility in the business, as below:

| Asset             | Estimated useful life |
|-------------------|-----------------------|
| Vehicles          | 4 years               |
| Network & Servers | 4 years               |

All Property, plant and equipment costing less than ₹5,000 individually are fully depreciated in the year of purchase. Useful lives are reviewed at each financial year end and adjusted if required.

#### iv. Reclassification to investment property

When the use of a property changes from owner-occupied to investment property, the property is reclassified as investment property at its carrying amount on the date of reclassification.

### 3.5. Intangible assets

#### i. Recognition and measurement

Intangible assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any.

Cost of an intangible asset includes purchase price, non-refundable taxes and duties and any other directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates.

## ii. Subsequent expenditure

Subsequent expenditure on an intangible asset is charged to the Statement of Profit and Loss as an expense unless it is probable that such expenditure will enable the intangible asset increase the future benefits from the existing asset beyond its previously assessed standard of performance and such expenditure can be measured and attributed to the intangible asset reliably, in which case, such expenditure is capitalised.

Expenditure on software development eligible for capitalisation are carried as Intangible assets under development where such assets are not yet ready for their intended use.

## iii. Amortisation

Intangible assets are amortised on a straight-line basis over their estimated useful lives. The amortisation period and the amortisation method are reviewed at each reporting date. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly.

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss in the year of disposal.

The estimated useful lives of intangible assets used for amortisation are:

| Asset  | Estimated useful life |
|--|-----------------------|
| Computer Software                              | 5 years               |
| Licenses Electronic trading platform (Website) | 5 years               |
| Bombay Stock Exchange Membership Card          | 10 years              |

All intangible assets costing less than ₹ 5,000 individually are fully amortised in the year of acquisition.

## 3.6. Investment property

Property given on lease to earn rental income, is classified as "Investment Property" as per requirement of Ind AS 40 "Investment Property". Upon initial recognition, an investment property is measured at cost. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciation is provided on a pro-rata basis to fully depreciate the assets using the straight-line method over the estimated useful lives of the assets.

For the following categories of assets, Depreciation investment property has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

| Asset               | Estimated useful life |
|---------------------|-----------------------|
| Investment Property | 60 years              |

Any gain or loss on disposal of an investment property is recognised in the statement profit and loss. The fair values of investment property is disclosed in the notes.

## 3.7. Impairment of non-financial assets

Assessment is done at each reporting date as to whether there is any indication that an asset (tangible and intangible) may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each reporting date as to whether there is any indication that an impairment loss

recognised for an asset in prior accounting periods may no longer exist or may have decreased.

After impairment (if any), depreciation/ amortisation is provided on the revised carrying amount of the assets over its remaining life.

### 3.8. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contracts such as foreign currency forward contracts.

Financial instruments also cover contracts to buy or sell a non-financial item that can be settled net in cash or another financial instrument, or by exchanging financial instruments, as if the contracts were financial instruments, with the exception of contracts that were entered into and continue to be held for the purpose of the receipt or delivery of a non-financial item in accordance with the entity's expected purchase, sale or usage requirements.

#### I. Recognition and initial measurement

Trade receivables, Loans and deposits are initially recognised when they are originated. All other financial assets and liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss ('FVTPL'), transaction costs that are directly attributable to its acquisition or issued.

#### II. Classification and subsequent measurement

##### Financial assets

On initial recognition, a financial asset is classified as measured at :

- Amortised cost;
- Fair value through profit and loss ('FVTPL');
- Fair value through other comprehensive income ('FVOCI')

#### Financial assets (other than equity instruments)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets. The Company classifies its financial assets in the following measurement categories:

##### Financial assets measured at amortised cost

A financial asset that meets the following two conditions is measured at amortised cost (net of any written down for impairment) unless the asset is designated at FVTPL under the fair value option.

**Business model test:** The objective of the Company's business model is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realize its fair value changes).

**Cash flow characteristics test:** The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### Financial assets (equity instruments)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets. The Company classifies its financial assets in the following measurement categories:

All equity instruments are to be measured at FVTPL.

On initial recognition, a one time irrevocable choice for all equity instruments to designate the respective equity instrument as Fair Value through Other Comprehensive Income (FVOCI). All unrealized gains and losses are recognised in OCI and on disposal such accumulated gains or losses are transferred directly to retained earnings.

### Financial assets measured at Fair Value

A financial asset which is not classified at amortised cost is subsequently measured at fair value. Where assets are measured at fair value, gains and losses are either recognised entirely in the statement of profit and loss (i.e. fair value through profit or loss), or recognised in Other Comprehensive Income (i.e. fair value through other comprehensive income).

The assets classified in the aforementioned categories are subsequently measured as follows:

**a) Financial assets at Fair Value Through Profit or Loss (FVTPL):** These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in the statement of profit and loss. Financial assets that are held for trading and whose performance is evaluated on a fair value basis are measured at FVTPL.

**b) Financial assets at Fair Value Through Other Comprehensive Income (FVOCI):** These assets are subsequently measured at fair value. Interest income under the effective interest method, dividends (unless the dividend clearly represents a recovery of part of the cost of the investment), foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

### Financial Liabilities

Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest

method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

### III. Derecognition

#### Financial Assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

#### Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

### IV. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

### V. Impairment

The Company recognises loss allowances for expected credit losses on:

- financial assets measured at amortised cost; and
- financial assets measured at FVOCI – debt investments.

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The Company considers that the credit risk on a financial asset has increased significantly if it is more than 90 days past due.

### 3.9. Employee benefits

#### i) Short-term employee benefits

Short-term employee benefits include salaries and short term cash bonus. A liability is recognised for the amount expected to be paid under short-term cash bonus or target based incentives if the Company has a present legal or constrictive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably. These costs are recognised as an expense in the Statement of Profit and Loss at the undiscounted amount expected to be paid over the period of services rendered by the employees to the Company.

#### ii) Defined-contribution plans

These are plans in which the Company pays pre-defined amounts to separate funds and does not have any legal or constrictive obligation to pay additional sums. These comprise of contributions to the National pension scheme, employees' provident fund and family pension fund. The Company's payments to the defined-contribution plans are reported as expenses during the period in which the employees perform the services that the payment covers.

#### iii) Defined benefit plans

The defined benefit plan is a post-employee benefit plan other than a defined contribution plan. Expenses for defined-benefit plan in the nature of gratuity are calculated annually by an

independent actuary using Projected Unit Credit Method (PUCM). These commitments are valued at the present value of the expected future payments, with consideration for calculated future salary increases, using a discount rate corresponding to the interest rate estimated by the actuary having regard to the interest rate on government bonds. The fair values of the plan assets are deducted in determining the net liability. When the fair value of plan assets exceeds the commitments computed as aforesaid, the recognised asset is limited to the net total of any cumulative past service costs and the present value of any economic benefits available in the form of reductions in future contributions to the plan.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI.

#### iv) Other long term employee benefits

Compensated absences which accrue to employees and which can be carried to future periods and are expected to be availed in more than twelve months immediately following the year in which the employee has rendered service are reported as expenses during the year in which the employees perform the services that the benefit covers and the liabilities are reported at the undiscounted amount of the benefits.

#### v) Share-based payment transactions

a. The cost of equity-settled instrument is determined by the fair value at the date when the grant is made using an appropriate valuation model.

b. That cost is recognised, together with a corresponding increase in share-based payment reserves in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at each reporting

date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest.

c. When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through the statement of profit and loss.

d. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

e. Grants provided by parent Company to the employees at deputation to the Company are also accounted for inline with accounting treatment described above. The corresponding impact of the expense recorded on account of such grants are recorded as capital contribution from parent.

### 3.10. Current and deferred tax

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period.

Current tax is measured at the amount of tax payable on the taxable income for the year determined in accordance with the provisions of the Income Tax Act, 1961. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any.

Deferred tax is recognised for all the temporary differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred

tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date and reflects uncertainty related to income taxes, if there is any. Deferred tax assets are recognised and carried forward only to the extent it is probable that sufficient future taxable income will be available against which such deferred tax assets can be realised. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

### 3.11. Provisions and contingent liabilities

Provisions: Provisions are recognised when there is a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value.

Contingent Liabilities: Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is

either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is termed as a contingent liability.

**Bank Guarantee:** Bank Guarantee are taken from banks and kept with exchanges as a margin to meet the margin obligation.

### 3.12. Cash and cash equivalents

In the Cash Flow Statement, cash and cash equivalents include cash in hand, demand deposits and short term deposit with banks with original maturities of three months or less and other short-term highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

### 3.13. Leases

The Company as lessee

The Company lease as set classes primarily consist of leases for office premises. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee.

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

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

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

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

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

### 3.14. Foreign currency

Transactions in foreign currencies are translated into the functional currency of the Company at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate at the date of the transaction. At each balance sheet date, foreign currency monetary items are reported using the closing exchange rate.

Exchange differences that arise on settlement of monetary items or on reporting at each closing date of the Company's monetary items at the closing rate are recognised as income and expenses in the period in which they arise. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the date of transactions.

Non-monetary items that are measured at fair value in a foreign currency shall be translated into functional currency using the exchange rates at the date when the fair value was determined. Exchange differences are recognised in the statement of profit and loss.

### 3.15. Earning per Share

The basic earnings per share ('EPS') is computed by dividing the net profit / (loss) after tax for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, net profit/(loss) after tax for the year attributable to the equity shareholders and the weighted average number of equity shares

outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

### 3.16. Segment Reporting

The Company's business is to provide broking services, to its clients, in the capital markets in India. All other activities of the Company are ancillary to the main business. As such, there are no reportable segments that need to be reported separately as defined in Ind AS 108, Operating Segments.

### 3.17. Borrowing Costs

The difference between the discounted amount mobilized and redemption value of commercial papers is recognised in the statement of profit and loss over the life of the instrument with reference to effective interest rate method.

## Note 4: Cash and cash equivalents

(₹ in lacs)

| Particulars                | As at<br>31 March 2022 | As at<br>31 March 2021 |
|----------------------------|------------------------|------------------------|
| (i) Cash in hand*          | -                      | 0                      |
| (ii) Balances with Banks** | 96,792                 | 59,854                 |
| <b>Total</b>               | <b>96,792</b>          | <b>59,854</b>          |

\* Amount less than ₹50000

\*\* Refer Note # 42 for RPT transactions

## Note 5: Bank Balance other than (4) above

(₹ in lacs)

| Particulars                                     | As at<br>31 March 2022 | As at<br>31 March 2021 |
|---|------------------------|------------------------|
| Earmarked accounts (unpaid dividend balance)    | 21                     | 43                     |
| Fixed Deposits with Banks ^#                    | 263,070                | 157,938                |
| <b>Total</b>                                    | <b>263,091</b>         | <b>157,981</b>         |
| Note:   |                        |                        |
| ^ Fixed Deposits maturing within 3 months       | 210,998                | 102,369                |
| # Deposits pledged as margins / Bank Gaurantees | 228,070                | 152,938                |

## Note 6: Receivables

### Trade Receivables

(₹ in lacs)

| Particulars                               | As at<br>31 March 2022 | As at<br>31 March 2021 |
|---|------------------------|------------------------|
| Receivables considered good - Secured     | 48,767                 | 43,001                 |
| Receivables considered good - Unsecured** | 2,705                  | 1,286                  |
| Less: Allowance for impairment loss       | (886)                  | (326)                  |
| <b>Total</b>                              | <b>50,586</b>          | <b>43,961</b>          |

Note: Debts due by directors or other officers of the company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member

\*\* Refer Note # 42 for RPT transactions

## Note 7: Loans

(₹ in lacs)

| Particulars   | As at<br>31 March 2022 | As at<br>31 March 2021 |
|---|------------------------|------------------------|
| <b>A. Amortised Cost</b>  |                        |                        |
| Margin Trading Funding*   | 328,814                | 168,050                |
| Less: Allowance for impairment loss   | (466)                  | (635)                  |
| <b>Total</b>  | <b>328,348</b>         | <b>167,415</b>         |
| <b>I) Secured by:</b>   |                        |                        |
| i) Secured by tangible assets   |                        |                        |
| Collateral in the form of cash, securities, Fixed Deposit Receipt (FDR) in case of Margin trade funding | 328,814                | 168,050                |
| Unsecured   | -                      | -                      |
| Total Gross (i) + (ii)  | 328,814                | 168,050                |
| Less: Allowance for impairment loss   | (466)                  | (635)                  |
| <b>Total Net</b>  | <b>328,348</b>         | <b>167,415</b>         |

| Particulars   | As at<br>31 March 2022 | As at<br>31 March 2021 |
|---|------------------------|------------------------|
| <b>II) Loans in India</b>   |                        |                        |
| Margin Trading Funding  | 328,814                | 168,050                |
| Total Gross   | 328,814                | 168,050                |
| Less: Allowance for impairment loss                                     | (466)                  | (635)                  |
| <b>Total Net</b>  | <b>328,348</b>         | <b>167,415</b>         |
| <b>B. At fair value through other comprehensive income</b>              | -                      | -                      |
| <b>C. At fair value through profit or loss</b>                          | -                      | -                      |
| <b>D. At fair value designated at fair value through profit or loss</b> | -                      | -                      |
| <b>Total (A) + (B) + (C) + (D)</b>                                      | <b>328,348</b>         | <b>167,415</b>         |

#### Note 8: Investments

(₹ in lacs)

| Particulars  | As at<br>31 March 2022                  | As at<br>31 March 2021                  |
|--|---|---|
|  | At Fair Value Through<br>profit or loss | At Fair Value Through<br>profit or loss |
| <b>Mutual Funds</b>                                |   |   |
| HDFC Liquid Fund Direct - Growth                   | 10,598                                  | 10,245                                  |
| HDFC FMP 1158 D Feb (1) Series 39 -Dir-Growth      | -                                       | 1,259                                   |
| ICICI Prudential Liquid - Direct Plan - Growth     | 10,619                                  | 10,264                                  |
| ICICI Pru FMP Series 82-1223 Days Direct Cumulativ | -                                       | 1,265                                   |
| Nippon I Eq Hybrid - Segregated Portfolio1 Dir-Div | 0                                       | 0                                       |
| <b>Debt Securities</b>                             | -                                       | -                                       |
| <b>Equity and Preference instruments</b>           |   |   |
| BSE Limited  | 1,151                                   | 232                                     |
| Yes Bank Limited                                   | 45                                      | 57                                      |
| Qfix Infocomm Private Limited                      | -                                       | 29                                      |
| Smallcase Technologies Private Limited             | 793                                     | 244                                     |
| Virtuoso Infotech Pvt Ltd                          | 30                                      | -                                       |
| Borderless Softtech Pvt Ltd                        | 641                                     | -                                       |
| Baldor Technologies Pvt Ltd                        | 500                                     | -                                       |
| <b>Total Gross (A)</b>                             | <b>24,377</b>                           | <b>23,595</b>                           |
| Investments in India                               | 24,377                                  | 23,595                                  |
| <b>Total (B)</b>                                   | <b>24,377</b>                           | <b>23,595</b>                           |
| Less: Allowance for Impairment loss (C)            | -                                       | -                                       |
| <b>Total Net (D) (A)-(C)</b>                       | <b>24,377</b>                           | <b>23,595</b>                           |

## Note 9: Other Financial Assets

### a) Advances and Deposits

(₹ in lacs)

| Particulars  | As at<br>31 March 2022 | As at<br>31 March 2021 |
|--|------------------------|------------------------|
| Security Deposits  |                        |                        |
| Unsecured, considered good   | 487                    | 323                    |
| Less: Impairment loss  | (18)                   | (18)                   |
| Fixed Deposits*##^   | 211                    | 49                     |
| Deposit with Stock Exchanges   | 277                    | 1,166                  |
| Margin monies with clearing member   | -                      | 1                      |
| Deposit with Bank for Arbitration^   | 17                     | 215                    |
| Other Advances   | 958                    | 339                    |
| <b>Sub total</b>   | <b>1,950</b>           | <b>2,093</b>           |
| *With balance maturity of more than 12 months as at the balance sheet date |                        |                        |
| # Deposits pledged as margins / Bank Gaurantees                            | 211                    | 49                     |
| ^ Refer Note # 42 for RPT transactions                                     |                        |                        |

### b) Income Receivables

(₹ in lacs)

| Particulars                  | As at<br>31 March 2022 | As at<br>31 March 2021 |
|------------------------------|------------------------|------------------------|
| Interest accrued but not due | 2,222                  | 1,485                  |
| Unbilled Revenue             | 1,930                  | 807                    |
| <b>Sub total</b>             | <b>4,152</b>           | <b>2,292</b>           |
| <b>Total (a + b)</b>         | <b>6,102</b>           | <b>4,385</b>           |

## Note 10: Investment Property

(₹ in lacs)

| Particulars         | As at<br>31 March 2022 | As at<br>31 March 2021 |
|---------------------|------------------------|------------------------|
| Investment property | 1,397                  | 1,424                  |
| <b>Total</b>        | <b>1,397</b>           | <b>1,424</b>           |

### Reconciliation of carrying amount

(₹ in lacs)

| Particulars                                 | As at<br>31 March 2022 | As at<br>31 March 2021 |
|---|------------------------|------------------------|
| Cost or Deemed Cost (gross carrying amount) | 1659                   | 1,659                  |
| Accumulated depreciation opening            | 235                    | 207                    |
| Depreciation for the year                   | 27                     | 28                     |
| Accumulated depreciation closing            | 262                    | 235                    |
| <b>Carrying amounts</b>                     | <b>1,397</b>           | <b>1,424</b>           |
| Fair Value (Note #1)                        | 4,057                  | 3,950                  |

Note 1: The management has determined the fair value of the investment property by an independent valuer as per requirement of Ind AS 40, which is classified as Level 3

## Note 11: Property, Plant and Equipment

(₹ in lacs)

| Property, Plant and Equipment for current year |  | Tangible Assets                          |                 |             |                      |          |                   |                                       |                           |                              |                 | Intangible Assets (Other than Internally generated) |                   |                                       |                             |   |                 |
|--|--|--|-----------------|-------------|----------------------|----------|-------------------|---------------------------------------|---------------------------|------------------------------|-----------------|---|-------------------|---------------------------------------|-----------------------------|---|-----------------|
|  |  | Leasehold Imp. in Buildings on op. lease | Office Premises | Electricals | Furniture & Fixtures | Vehicles | Office Equipments | Computer Hardware, Networks & Servers | Total Tangible Assets (a) | Capital work-in-progress (b) | Total (a) + (b) | Bombay Stock Exchange Card                          | Computer software | Electronic trading platform (Website) | Total Intangible Assets (a) | Intangible assets under development (b) | Total (a) + (b) |
| Gross Block                                    | As at 01-04-2021                       | 2,122                                    | 1,067           | 36          | 298                  | 604      | 1,010             | 10,583                                | 15,720                    | 494                          | 16,214          | 288   | 6,336             | 164                                   | 6,787                       | 585                                     | 7,372           |
|  | Additions during the year              | 117                                      | -               | -           | 63                   | 264      | 118               | 3,265                                 | 3,827                     | 4,687                        | 8,514           | -   | 1,242             | -                                     | 1,242                       | 1,836                                   | 3,078           |
|  | Deletions/ Adjustments during the year | 35                                       | -               | -           | 9                    | 271      | 43                | 349                                   | 706                       | 4,862                        | 5,568           | -   | -                 | -                                     | -                           | 1,270                                   | 1,270           |
| Accumulated Depreciation                       | As at 31-03-2022                       | 2,175                                    | 1,067           | 36          | 352                  | 597      | 1,023             | 13,359                                | 18,608                    | 319                          | 18,927          | 288   | 7,573             | 164                                   | 8,025                       | 1,151                                   | 9,176           |
|  | Accumulated Depreciation               | 1,467                                    | 150             | 27          | 224                  | 358      | 886               | 6,595                                 | 9,708                     | -                            | 11,846          | 288   | 4,698             | 164                                   | 5,151                       | -                                       | 5,151           |
|  | Charge for the year                    | 185                                      | 18              | 4           | 25                   | 131      | 84                | 1,784                                 | 2,231                     | -                            | 2,231           | -   | 908               | -                                     | 908                         | -                                       | 908             |
|  | Deletions during the year              | 32                                       | -               | -           | 8                    | 247      | 43                | 349                                   | 679                       | -                            | 679             | -   | -                 | -                                     | -                           | -                                       | -               |
|  | As at 31-03-2022                       | 1,593                                    | 167             | 30          | 241                  | 242      | 865               | 7,888                                 | 11,026                    | -                            | 11,026          | 288   | 5,606             | 164                                   | 6,058                       | -                                       | 6,058           |
| Net Block                                      | As at 01-04-2021                       | 656                                      | 918             | 9           | 74                   | 245      | 125               | 3,988                                 | 6,015                     | 494                          | 11,794          | -   | 1,638             | -                                     | 1,638                       | 585                                     | 2,223           |
|  | As at 31-03-2022                       | 583                                      | 901             | 5           | 111                  | 355      | 158               | 5,471                                 | 7,584                     | 319                          | 7,903           | -   | 1,968             | -                                     | 1,968                       | 1,151                                   | 3,119           |

| Property, Plant and Equipment for current year |  | Tangible Assets                          |                 |             |                      |          |                   |                                       |                           |                              |                 | Intangible Assets (Other than Internally generated) |                   |                                       |                             |   |                 |
|--|--|--|-----------------|-------------|----------------------|----------|-------------------|---------------------------------------|---------------------------|------------------------------|-----------------|---|-------------------|---------------------------------------|-----------------------------|---|-----------------|
|  |  | Leasehold Imp. in Buildings on op. lease | Office Premises | Electricals | Furniture & Fixtures | Vehicles | Office Equipments | Computer Hardware, Networks & Servers | Total Tangible Assets (a) | Capital work-in-progress (b) | Total (a) + (b) | Bombay Stock Exchange Card                          | Computer software | Electronic trading platform (Website) | Total Intangible Assets (a) | Intangible assets under development (b) | Total (a) + (b) |
| Gross Block                                    | As at 01-04-2020                       | 2,118                                    | 1,067           | 36          | 269                  | 668      | 1,015             | 6,074                                 | 11,246                    | 735                          | 11,981          | 288   | 5,508             | 164                                   | 5,960                       | 578                                     | 6,538           |
|  | Additions during the year              | 77                                       | -               | -           | 37                   | 124      | 26                | 4,535                                 | 4,798                     | 4,557                        | 9,356           | -   | 828               | -                                     | 828                         | 835                                     | 1,663           |
|  | Deletions/ Adjustments during the year | 73                                       | -               | -           | 7                    | 188      | 32                | 25                                    | 325                       | 4,798                        | 5,124           | -   | -                 | -                                     | -                           | 828                                     | 828             |
| Accumulated Depreciation                       | As at 31-03-2021                       | 2,122                                    | 1,067           | 36          | 298                  | 604      | 1,010             | 10,583                                | 15,720                    | 494                          | 16,214          | 288   | 6,336             | 164                                   | 6,787                       | 585                                     | 7,372           |
|  | As at 01-04-2020                       | 1,349                                    | 133             | 23          | 210                  | 346      | 836               | 5,208                                 | 8,104                     | -                            | 8,104           | 288   | 3,966             | 164                                   | 4,418                       | -                                       | 4,418           |
|  | Charge for the year                    | 177                                      | 17              | 4           | 21                   | 155      | 79                | 1,412                                 | 1,864                     | -                            | 1,864           | -   | 732               | -                                     | 732                         | -                                       | 732             |
|  | Deletions during the year              | 58                                       | -               | -           | 7                    | 142      | 28                | 25                                    | 260                       | -                            | 260             | -   | -                 | -                                     | -                           | -                                       | -               |
|  | As at 31-03-2021                       | 1,467                                    | 150             | 27          | 224                  | 358      | 886               | 6,595                                 | 9,708                     | -                            | 9,708           | 288   | 4,698             | 164                                   | 5,151                       | -                                       | 5,151           |
| Net Block                                      | As at 01-04-2020                       | 770                                      | 934             | 13          | 59                   | 322      | 179               | 866                                   | 3,146                     | 735                          | 3,881           | -   | 1,542             | -                                     | 1,542                       | 578                                     | 2,120           |
|  | As at 31-03-2021                       | 656                                      | 918             | 9           | 74                   | 245      | 125               | 3,988                                 | 6,015                     | 494                          | 6,509           | -   | 1,638             | -                                     | 1,638                       | 585                                     | 2,223           |

## Note 12: Right-of-use assets

(₹ in lacs)

| Particulars         | As at<br>31 March 2022 | As at<br>31 March 2021 |
|---------------------|------------------------|------------------------|
| Right-of-use assets | 6,147                  | 5,285                  |
| <b>Total</b>        | <b>6,147</b>           | <b>5,285</b>           |

## Reconciliation of carrying amount

(₹ in lacs)

| Particulars                    | As at<br>31 March 2022 | As at<br>31 March 2021 |
|--------------------------------|------------------------|------------------------|
| Carrying amount opening        | 5,285                  | 5,738                  |
| Addition                       | 1,926                  | 551                    |
| Adjustments/deletion           | -                      | -                      |
| Depreciation for the year      | 1,064                  | 1,004                  |
| <b>Carrying amount closing</b> | <b>6,147</b>           | <b>5,285</b>           |

## Note 13: Other non-financial assets

(₹ in lacs)

| Particulars      | As at<br>31 March 2022 | As at<br>31 March 2021 |
|------------------|------------------------|------------------------|
| Prepaid Expenses | 1,343                  | 966                    |
| <b>Total</b>     | <b>1,343</b>           | <b>966</b>             |

## Note 14: Payables

### Trade Payables

(₹ in lacs)

| Particulars   | As at<br>31 March 2022 | As at<br>31 March 2021 |
|---|------------------------|------------------------|
| Total outstanding dues of Micro enterprise and small enterprises            | 11                     | 28                     |
| <b>Total</b>  | <b>11</b>              | <b>28</b>              |
| Total outstanding dues of other than Micro enterprise and small enterprises |                        |                        |
| Payable to Exchanges  | -                      | 55                     |
| Payable to Clients  | 141,559                | 103,428                |
| Other trade payables  | 498                    | 476                    |
| <b>Total</b>  | <b>142,057</b>         | <b>103,959</b>         |

Footnote:

- (i) The amount due to Micro and Small Enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of information collected by the management. This has been relied upon by the auditors.
- (ii) The disclosures relating to Micro and Small Enterprises are as under:

(₹ in lacs)

| Particulars   | As at<br>31 March 2022 | As at<br>31 March 2021 |
|---|------------------------|------------------------|
| (a) The principal amount remaining unpaid to any supplier as at the end of the accounting year  | -                      | -                      |
| (b) The interest due thereon remaining unpaid to any supplier as at the end of the accounting year  | 11                     | 28                     |
| (c) The amount of interest paid, along with the amount of payment made to the supplier beyond the appointed day during the year   | -                      | -                      |
| (d) The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act | 9                      | 15                     |
| (e) The amount of interest accrued during the year and remaining unpaid at the end of the accounting year   | 2                      | 13                     |
| (f) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid   | -                      | -                      |

## Note 15: Borrowings

(₹ in lacs)

| Particulars        | As at<br>31 March 2022 | As at<br>31 March 2021 |
|--------------------|------------------------|------------------------|
| Commercial Papers* | 441,914                | 204,043                |
| MTF Loan           | 20,000                 | -                      |
| <b>Total</b>       | <b>461,914</b>         | <b>204,043</b>         |

Note:

As at 31/03/2022

(₹ in lacs)

| Tenure      | Particulars       | Rate of Interest | Maximum Outstanding |
|-------------|-------------------|------------------|---------------------|
| 79-364 days | Commercial Papers | 4.13% - 5.30%    | 445,000             |

As at 31/03/2022

(₹ in lacs)

| Tenure      | Particulars       | Rate of Interest | Maximum Outstanding |
|-------------|-------------------|------------------|---------------------|
| 86-226 days | Commercial Papers | 3.54% - 4.05%    | 205,000             |

\* Refer Note #43 for detail listing

## Note 16: Lease Liabilities

(₹ in lacs)

| Particulars       | As at<br>31 March 2022 | As at<br>31 March 2021 |
|-------------------|------------------------|------------------------|
| Lease Liabilities | 6,936                  | 5,990                  |
| <b>Total</b>      | <b>6,936</b>           | <b>5,990</b>           |

## Note 17: Other financial liabilities

(₹ in lacs)

| Particulars                   | As at<br>31 March 2022 | As at<br>31 March 2021 |
|-------------------------------|------------------------|------------------------|
| Security deposits received    | 76                     | 71                     |
| Liabilities for capital goods | 371                    | 177                    |
| Unpaid dividends              | 21                     | 43                     |
| <b>Total</b>                  | <b>469</b>             | <b>291</b>             |

## Note 18: Provisions

(₹ in lacs)

| Particulars                         | As at<br>31 March 2022 | As at<br>31 March 2021 |
|-------------------------------------|------------------------|------------------------|
| (a) Provision for employee benefits |                        |                        |
| Payroll & employee benefits         | 4,744                  | 4,418                  |
| Provision for gratuity              | 234                    | 85                     |
| Compensated absences                | 809                    | 718                    |
| (b) Others                          |                        |                        |
| Provision for expense               | 5,699                  | 3,477                  |
| Provision For Contingencies         | 247                    | 49                     |
| <b>Total</b>                        | <b>11,733</b>          | <b>8,747</b>           |

## Note 19: Other non-financial liabilities

(₹ in lacs)

| Particulars                         | As at 31 March 2022 | As at 31 March 2021 |
|-------------------------------------|---------------------|---------------------|
| Deferred rental income              | (0)                 | 5                   |
| Statutory Dues including TDS and PF | 1,917               | 2,494               |
| Income received in advance          | 966                 | 2,123               |
| Provision for Fringe Benefit Tax    | 1                   | 1                   |
| <b>Total</b>                        | <b>2,884</b>        | <b>4,623</b>        |

## Note 20: Share Capital

(₹ in lacs)

| Particulars                             | As at 31 March 2022 |              | As at 31 March 2021 |              |
|---|---------------------|--------------|---------------------|--------------|
|   | Number              | Amount       | Number              | Amount       |
| <b>Authorised</b>                       |                     |              |                     |              |
| Equity Shares of ₹10 each               | 20,000,000          | 2,000        | 20,000,000          | 2,000        |
| <b>Issued, Subscribed &amp; Paid-up</b> |                     |              |                     |              |
| Equity Shares of ₹10 each fully paid up | 15,828,975          | 1,583        | 15,766,575          | 1,577        |
| <b>Total</b>                            | <b>15,828,975</b>   | <b>1,583</b> | <b>15,766,575</b>   | <b>1,577</b> |

### (i) Reconciliation of the number of shares outstanding at the beginning and end of the year

| Particulars                                      | As at 31 March 2022 |              | As at 31 March 2021 |              |
|--|---------------------|--------------|---------------------|--------------|
|  | Number              | Amount       | Number              | Amount       |
| Shares outstanding at the beginning of the year  | 15,766,575          | 1,577        | 15,729,975          | 1,573        |
| Shares issued under ESOP during the year         | 62,400              | 6            | 36,600              | 4            |
| <b>Shares outstanding at the end of the year</b> | <b>15,828,975</b>   | <b>1,583</b> | <b>15,766,575</b>   | <b>1,577</b> |

### (ii) Rights, preferences and restriction attached to equity shares

The Company has one class of equity shares having a par value of ₹10 per share. Each shareholder is entitled to one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in the case of interim dividend. In the event of liquidation, the equity shareholders are entitled to receive the remaining assets of the Company after distribution of all preferential amounts in proportion to their shareholding.

### (iii) Shares in the Company held by the holding Company

| Particulars                             | As at 31 March 2022 |              | As at 31 March 2021 |              |
|---|---------------------|--------------|---------------------|--------------|
|   | Number              | Amount       | Number              | Amount       |
| Equity Shares held by HDFC Bank Limited | 15,190,044          | 1,519        | 15,190,044          | 1,519        |
| <b>Total</b>                            | <b>15,190,044</b>   | <b>1,519</b> | <b>15,190,044</b>   | <b>1,519</b> |

### (iv) Shares in the Company held by shareholders holding more than 5% of the aggregate equity shares in the Company

| Particulars       | As at 31 March 2022 |              | As at 31 March 2021 |              |
|-------------------|---------------------|--------------|---------------------|--------------|
|                   | No. of Shares held  | % of Holding | No. of Shares held  | % of Holding |
| HDFC Bank Limited | 15,190,044          | 95.96%       | 15,190,044          | 96.34%       |

### (v) Shares reserved for issue under options

97,500 number of shares are reserved to be issued under employees stock option scheme (ESOP II)

## Note 21: Other Equity

(₹ in lacs)

| Particulars   | As at<br>31 March 2022 | As at<br>31 March 2021 |
|---|------------------------|------------------------|
| Share based payment reserve                             | 2,131                  | 1,223                  |
| Capital Contribution from parent                        | 3,298                  | 2,434                  |
| Securities Premium Account                              | 12,760                 | 8,634                  |
| Retained Earnings                                       | 131,490                | 111,266                |
| Less: Appropriations - Final dividend on equity shares  | -                      | -                      |
| Less: Appropriations - Tax on dividend on equity shares | -                      | -                      |
| Less: Appropriations(-) Interim Dividends**             | (86,462)               | (50,098)               |
| Profit for the year                                     | 98,434                 | 70,323                 |
| Other Comprehensive Income                              | 57                     | 173                    |
| General Reserve Account                                 | 2,500                  | 2,500                  |
| <b>Total</b>  | <b>164,208</b>         | <b>146,454</b>         |

\*\* The Company has paid the interim dividend of ₹547 per share (Interim dividend for FY 20-21 was ₹318 per share) that it was declared during the year ended 31 March 2022

- Share based payment reserve: Share based payment expense pertaining to outstanding portion of the option not yet exercised.
- Capital Contribution from parent: Capital contribution from parent is the parent Company share based payment cost of the employees who are on secondment with Company.
- Securities Premium Account: Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provision of the Companies Act, 2013.
- Retained Earnings: Retained earnings represents surplus/accumulated earnings of the Company and are available for distribution to shareholders.
- Other comprehensive income: Other comprehensive income consist of remeasurement gains/ losses on defined benefit plans.
- General Reserve Account: The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to statement of profit and loss.

## Note 22: Brokerage and Fee Income

| Particulars  | As at<br>31 March 2022 | As at<br>31 March 2021 |
|--|------------------------|------------------------|
| Brokerage Income**   | 115,547                | 101,478                |
| Fee Income**   | 24,665                 | 12,524                 |
| Depository Income  | 725                    | 22                     |
| <b>Total</b>   | <b>140,937</b>         | <b>114,024</b>         |
| Fee Income includes Commission on sale of insurance products as mentioned below: |                        |                        |
| Commission on sale of Life Insurance   | 3,759                  | 3,305                  |
| Commission on sale of General Insurance  | 19                     | 24                     |
| Commission on sale of Health Insurance   | 107                    | 93                     |

\*\* Refer Note # 42 for RPT transactions

## Note 23: Interest Income

(₹ in lacs)

| Particulars  | As at<br>31 March 2022 | As at<br>31 March 2021 |
|--|------------------------|------------------------|
| <b>On Financial Assets measured at Amortised Cost</b>                      |                        |                        |
| Interest on Loans  | 45,878                 | 15,720                 |
| Interest on deposits with Banks**  | 6,713                  | 5,167                  |
| Other interest Income  | 213                    | 218                    |
|  |                        |                        |
| <b>On Financial Assets classified at fair value through profit or loss</b> |                        |                        |
| Interest income from investments   | -                      | 5                      |
|  |                        |                        |
| <b>Total</b>   | <b>52,804</b>          | <b>21,110</b>          |

\*\* Refer Note # 42 for RPT transactions

## Note 24: Sale of Services

(₹ in lacs)

| Particulars                  | As at<br>31 March 2022 | As at<br>31 March 2021 |
|------------------------------|------------------------|------------------------|
| SMS and Value Added Services | 1,466                  | 560                    |
|                              |                        |                        |
| <b>Total</b>                 | <b>1,466</b>           | <b>560</b>             |

## Note 25: Net gain on fair value changes

(₹ in lacs)

| Particulars   | As at<br>31 March 2022 | As at<br>31 March 2021 |
|---|------------------------|------------------------|
| <b>Net gain on financial instruments at fair value through profit or loss</b> |                        |                        |
| On Investment   | 2,132                  | 907                    |
|   |                        |                        |
| <b>Total</b>  | <b>2,132</b>           | <b>907</b>             |
|   |                        |                        |
| <b>Fair Value changes:</b>  |                        |                        |
| Realised  | 567                    | 138                    |
| Unrealised  | 1,565                  | 769                    |
|   |                        |                        |
| <b>Total</b>  | <b>2,132</b>           | <b>907</b>             |

## Note 26: Rental Income

(₹ in lacs)

| Particulars                            | As at<br>31 March 2022 | As at<br>31 March 2021 |
|--|------------------------|------------------------|
| Rental income from operating leases    | 202                    | 202                    |
| Amortisation of deferred rental income | 5                      | 5                      |
|  |                        |                        |
| <b>Total</b>                           | <b>207</b>             | <b>207</b>             |

## Note 27: Dividend Income

(₹ in lacs)

| Particulars                    | As at<br>31 March 2022 | As at<br>31 March 2021 |
|--------------------------------|------------------------|------------------------|
| Dividend income on investments | 11                     | 8                      |
|                                |                        |                        |
| <b>Total</b>                   | <b>11</b>              | <b>8</b>               |

### Note 28: Other Income

(₹ in lacs)

| Particulars            | As at<br>31 March 2022 | As at<br>31 March 2021 |
|------------------------|------------------------|------------------------|
| Miscellaneous income** | 1,474                  | 3,127                  |
| <b>Total</b>           | <b>1,474</b>           | <b>3,127</b>           |

\*\* Refer Note # 42 for RPT transactions

### Note 29: Finance Costs

(₹ in lacs)

| Particulars  | As at<br>31 March 2022 | As at<br>31 March 2021 |
|--|------------------------|------------------------|
| <b>On Financial liabilities measured at Amortised Cost</b> |                        |                        |
| Interest Expense   | 15,634                 | 5,307                  |
| <b>Total</b>   | <b>15,634</b>          | <b>5,307</b>           |

### Note 30: Impairment on financial instruments

(₹ in lacs)

| Particulars  | As at<br>31 March 2022 | As at<br>31 March 2021 |
|--|------------------------|------------------------|
| <b>On Financial instruments measured at Amortised Cost</b> |                        |                        |
| Loans  | (168)                  | 592                    |
| Trade & Other Receivable                                   | 758                    | 113                    |
| <b>Total</b>   | <b>590</b>             | <b>705</b>             |

### Note 31: Employee Benefits Expenses

(₹ in lacs)

| Particulars                               | As at<br>31 March 2022 | As at<br>31 March 2021 |
|---|------------------------|------------------------|
| Salaries and wages                        | 21,411                 | 19,779                 |
| Contribution to provident and other Funds | 967                    | 885                    |
| Share Based Payments to employees         | 2,775                  | 1,807                  |
| Staff welfare expenses                    | 588                    | 885                    |
| <b>Total</b>                              | <b>25,740</b>          | <b>23,357</b>          |

## Note 32: Other expenses

(₹ in lacs)

| Particulars  | As at<br>31 March 2022 | As at<br>31 March 2021 |
|--|------------------------|------------------------|
| Stamp, registration and trading expenses                       | 1,726                  | 1,225                  |
| Legal and Professional charges                                 | 2,472                  | 1,757                  |
| Director's fees, allowances and expenses                       | 70                     | 54                     |
| Repairs and Maintenance  | 3,589                  | 2,599                  |
| Rent, taxes and energy costs                                   | 1,100                  | 1,111                  |
| Advertisement and publicity                                    | 2,702                  | 441                    |
| Auditor's fees and expenses (Refer Note 47)                    | 36                     | 34                     |
| Insurance  | 39                     | 45                     |
| Printing and stationery  | 192                    | 174                    |
| Expenditure on Corporate Social Responsibility (Refer Note 40) | 1,300                  | 1,085                  |
| Communication Costs  | 3,241                  | 2,233                  |
| Other expenditure  | 4,339                  | 1,627                  |
| <b>Total</b>   | <b>20,806</b>          | <b>12,385</b>          |

## Note 33: Earning per share

### A. Basic Earnings per share

The calculations of profit attributable to equity shareholders and weighted average number of equity shares outstanding for purposes of basic earnings per share calculation are as follows:

| Particulars   |           | 31 March 2022 | 31 March 2021 |
|---|-----------|---------------|---------------|
| Equity shares outstanding at the beginning of the year                        | Nos.      | 15,766,575    | 15,729,975    |
| Add: Weighted average number of equity shares issued during the year          | Nos.      | 28,184        | 14,828        |
| Weighted average number of equity shares for basic earnings per share (a + b) | Nos.      | 15,794,759    | 15,744,803    |
| Net profit after tax available for equity shareholders                        | ₹ in lacs | 98,434        | 70,323        |
| Basic earnings per share of Rs. 10 each (c/d)                                 | ₹         | 623.21        | 446.64        |

### B. Diluted Earnings per share

The calculation of diluted earnings per share is based on profit attributable to equity shareholders and weighted average number of equity shares outstanding, after adjustment for the effects of all dilutive potential equity shares as follows:

| Particulars   |           | 31 March 2022 | 31 March 2021 |
|---|-----------|---------------|---------------|
| Weighted average number of equity shares for basic earnings per share           | Nos.      | 15,794,759    | 15,744,803    |
| Add / (Less) : Impact of Diluted ESOPs  | Nos.      | 36,355        | 3,636         |
| Weighted average number of equity shares for diluted earnings per share (a + b) | Nos.      | 15,831,114    | 15,748,439    |
| Net profit after tax available for equity shareholders                          | ₹ in lacs | 98,434        | 70,323        |
| Diluted earnings per share of Rs. 10 each (c/d)                                 | ₹         | 621.78        | 446.54        |

## Note 34 : Income Tax

### A. Amounts recognised in profit or loss

(₹ in lacs)

| Particulars                                       | As at<br>31 March 2022 | As at<br>31 March 2021 |
|---|------------------------|------------------------|
| <b>Current Tax</b>                                |                        |                        |
| Current Period                                    | 33,165                 | 24,111                 |
| Tax Relating to prior period                      | 52                     | (37)                   |
|   | <b>33,217</b>          | <b>24,074</b>          |
| <b>Deferred Tax</b>                               |                        |                        |
| Attributable to –                                 |                        |                        |
| Origination and reversal of temporary differences | 380                    | 165                    |
| Reduction in tax rate                             | -                      | -                      |
|   | <b>380</b>             | <b>165</b>             |
| Tax expense                                       | 33,597                 | 24,239                 |

### B. Income tax recognised in other comprehensive income

As at 31 March 2022

|   | Before tax  | Tax (expense) | Net of tax  |
|---|-------------|---------------|-------------|
| Remeasurements of defined benefit liability (asset) | -155        | 39            | -116        |
| <b>Total</b>  | <b>-155</b> | <b>39</b>     | <b>-116</b> |

As at 31 March 2021

|   | Before tax | Tax (expense) | Net of tax |
|---|------------|---------------|------------|
| Remeasurements of defined benefit liability (asset) | 3          | (1)           | 2          |
| <b>Total</b>  | <b>3</b>   | <b>(1)</b>    | <b>2</b>   |

The tax impact for the below purpose has been arrived at by applying the tax rate 25.168% (previous years - 25.168%) being the prevailing tax rates for domestic companies under Income Tax Act, 1961.

### C. Reconciliation of effective tax rate

(₹ in lacs)

| Particulars                           | For the year ended<br>31 March 2022 | For the year ended<br>31 March 2021 |
|---------------------------------------|-------------------------------------|-------------------------------------|
| Profit before income tax              | 132,031                             | 94,561                              |
| Tax using Company's domestic tax rate | 33,230                              | 23,799                              |
| Effect of                             |                                     |                                     |
| Corporate social responsibility       | 326                                 | 273                                 |
| <b>Long Term Capital Gain</b>         | (89)                                | (12)                                |
| Provision for employee benefits       | 21                                  | 31                                  |
| Provision for Tax Earlier Years       | 52                                  | (37)                                |
| Others (Net)                          | 57                                  | 184                                 |
| <b>Total Tax Expense</b>              | <b>33,597</b>                       | <b>24,239</b>                       |

Statutory tax rate is 25.168%. The effective income tax rate for 31 March 2022 is 25.45% (31 March 2021 is 25.63%)

## D. Recognised deferred tax assets and liabilities

(₹ in lacs)

| Particulars   | As at 31 March 2022 | As at 31 March 2021 |
|---|---------------------|---------------------|
| Temporary differences attributable to:                                      |                     |                     |
| <b>Deferred tax liabilities</b>   |                     |                     |
| Property, plant and equipment   | 226                 | 89                  |
| Fair value of investments   | 690                 | 296                 |
| Reversal of rent straight lining  | -                   | -                   |
| Ind AS 116 Liability (Net)  | 199                 | 180                 |
| Expected credit loss  | -                   | -                   |
|   | <b>1,115</b>        | <b>565</b>          |
| <b>Deferred tax assets</b>  |                     |                     |
| Provision for employee benefits   | 263                 | 202                 |
| Provision for Doubtful debts  | 345                 | 246                 |
| Provision for Rates and Taxes   | 166                 | 166                 |
| Provision for Contingencies   | 62                  | 12                  |
| Expected credit loss  | -                   | -                   |
|   | <b>835</b>          | <b>626</b>          |
| <b>Net deferred tax (asset) / liability recognised on the balance sheet</b> | <b>280</b>          | <b>-61</b>          |

### Note 35: Proposed Dividend

The Board of Directors, in their meeting held on 13 April, 2022 have proposed a final dividend of ₹ NIL per equity share (previous year ₹ NIL per equity share). The proposal is subject to the approval of shareholders at the Annual General Meeting.

### Note 36: Contingent liabilities and Pending capital commitments

#### Contingent liabilities

(₹ in lacs)

| Particulars   | Note | 31 March 2022 | 31 March 2021 |
|---|------|---------------|---------------|
| Claims against the Company not acknowledged as debt | 1    | 238           | 465           |
| Income Tax, Service Tax and Stamp Duty demands      | 2    | 5,080         | 68            |
| Bank Guarantee                                      | 4    | 54,400        | 19,400        |
| <b>Total</b>  |      | <b>59,719</b> | <b>19,933</b> |

#### Note 1

The claims which are in dispute with the clients and where settlements are still pending and not provided in the books of accounts has been contingent for the Company.

#### Note 2

The statutory dues which are in dispute and where settlements are still pending and not provided in the books of accounts has been contingent for the Company.

#### Note 3

There are numerous interpretative issues relating to the Supreme Court (SC) judgement dated 28th February, 2019, relating to components/allowances paid that need to be taken into account while computing an employer's contribution of provident fund under the EPF Act. The Company is in the process of evaluating the method of computation of its PF contribution prospectively and would record any further effect in its financial statements, on receiving additional clarity on the subject.

#### Note 4

Bank Guarantee are been taken from banks and kept with exchanges as a margin to meet the margin obligation.

#### Pending capital commitments

As at 31 March 2022 the Company has contracts remaining to be executed on capital account and not provided for. The estimated amount of contracts (net of advances) towards property, plant and equipment is ₹3729 lacs (previous year - ₹670 lacs).

## Note 37 : Foreign Currency Transaction

### a) Expenditure in Foreign Currency

(₹ in lacs)

| Particulars  | 31 March 2022 | 31 March 2021 |
|--|---------------|---------------|
| Straight Through Processing (STP) and Chat Integration | 88            | 21            |
| <b>Total</b>   | <b>88</b>     | <b>21</b>     |

### b) Earnings in Foreign Currency

(₹ in lacs)

| Particulars                                       | 31 March 2022 | 31 March 2021 |
|---|---------------|---------------|
| Referral fees for Global Investing                | 62            | 92            |
| Research Information Services                     | 105           | 9             |
| Consideration from sale of unlisted shares - Qfix | 38            | -             |
| <b>Total</b>                                      | <b>205</b>    | <b>101</b>    |

## Note 38 : Employee benefits

### A. Defined Contribution Plan

The Company makes contributions towards National Pension Scheme, provident fund and family pension fund which are defined contribution retirement benefit plans for qualifying employees. The provident fund and family pension are administered by office of the Regional Provident Fund Commissioner.

A sum of ₹735 lacs (Previous Year ₹670 lacs) has been charged to the Statement of Profit and Loss towards National Pension fund and provident fund

The Employee State Insurance Scheme ("ESIC") is a contributory scheme providing medical, sickness, maternity, and disability benefits to the insured employees under the Employees State Insurance Act, 1948.

The charge to the Statement of Profit and Loss is ₹34 lacs (Previous Year ₹33 lacs), which is classified as a part of "Contributions to provident and other funds" [Refer Note No. 31]

### B. Defined Benefit Plan

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, the employee who has completed five years of service is entitled to specific benefit.

The Company contributes funds to a post retirement defined benefit plan for gratuity, details of which are as follows:

#### 1. Reconciliation of the net defined benefit (asset) liability

(₹ in lacs)

| Particulars                           | 31 March 2022 | 31 March 2021 |
|---------------------------------------|---------------|---------------|
| Balance at the beginning of the year  | 1,055         | 929           |
| Current Service Cost                  | 138           | 130           |
| Interest Cost                         | 65            | 55            |
| Actuarial Losses                      | 162           | 34            |
| Benefits paid                         | (95)          | (93)          |
| <b>Balance at the end of the year</b> | <b>1,325</b>  | <b>1,055</b>  |

## 2. Reconciliation of the present value of plan assets

(₹ in lacs)

| Particulars                           | 31 March 2022 | 31 March 2021 |
|---------------------------------------|---------------|---------------|
| Balance at the beginning of the year  | 970           | 850           |
| Expected return on Plan Assets        | 66            | 88            |
| Contributions                         | 150           | 125           |
| Benefits paid                         | (95)          | (93)          |
| Actuarial Gain / (Loss)               |               | -             |
| <b>Balance at the end of the year</b> | <b>1,091</b>  | <b>970</b>    |

## 3. Amount to be recognised in Balance Sheet and movement in net liability

(₹ in lacs)

| Particulars  | 31 March 2022 | 31 March 2021 |
|--|---------------|---------------|
| Present Value of Funded Obligation                   | 1,325         | 1,055         |
| Fair Value of Plan Assets                            | 1,091         | 970           |
| <b>Net Liability Recognised in the Balance Sheet</b> | <b>234</b>    | <b>85</b>     |

## 4. Expenses recognised in the Income Statement

(₹ in lacs)

| Particulars   | 31 March 2022 | 31 March 2021 |
|---|---------------|---------------|
| Current Service Cost  | 138           | 130           |
| Past Service Cost   |               | -             |
| Loss / (Gain) on settlement   |               | -             |
| Net Interest Cost / (Income) on the Net Defined Benefit Liability / (Asset) | 5             | 5             |
| <b>Net gratuity expenses recognised in the Statement of Profit and Loss</b> | <b>144</b>    | <b>135</b>    |

## 5. Remeasurements recognised in other comprehensive income

(₹ in lacs)

| Particulars  | 31 March 2022 | 31 March 2021 |
|--|---------------|---------------|
| Actuarial (gains) / losses   |               |               |
| - change in demographic assumptions  | (73)          | 3             |
| - change in financial assumptions  | 227           | 21            |
| - experience variance (i.e. Actual experience vs assumptions)              | 6             | 10            |
| Return on plan assets, excluding amount recognised in net interest expense | (5)           | (37)          |
| <b>Total</b>   | <b>155</b>    | <b>(3)</b>    |

## 6. Major categories of Plan Assets (as percentage of Total Plan Assets)

(₹ in lacs)

| Particulars              | 31 March 2022 | 31 March 2021 |
|--------------------------|---------------|---------------|
| Funds managed by Insurer | 100           | 100           |
| <b>Grand Total</b>       | <b>100</b>    | <b>100</b>    |

## 7. Experience Adjustments

(₹ in lacs)

| Particulars                | 31 March 2022 | 31 March 2021 | 31 March 2020 | 31 March 2019 | 31 March 2018 |
|----------------------------|---------------|---------------|---------------|---------------|---------------|
| Defined Benefit Obligation | 1,325         | 1,055         | 929           | 802           | 772           |
| Fair value of Plan Assets  | 1,091         | 970           | 850           | 795           | 777           |
| Surplus / (Deficit)        | (234)         | (85)          | (79)          | (7)           | 5             |

## 8. Summary of Actuarial Assumptions

The actuarial calculations used to estimate defined benefit commitments and expenses are based on the following assumptions which if changed, would affect the defined benefit commitments, size, funding requirements and expense.

| Particulars            | 31 March 2022                                   | 31 March 2021                                   |
|------------------------|---|---|
| Discount Rate          | 6.05%   | 6.20%   |
| Salary Escalation Rate | 10.02%  | 7.86%   |
| Mortality              | Indian Assured Lives Mortality tables (2012-14) | Indian Assured Lives Mortality tables (2012-14) |

The estimates of future salary increase considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

## 9. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

(₹ in lacs)

| Particulars                      | 31 March 2022 |               | 31 March 2021 |               |
|----------------------------------|---------------|---------------|---------------|---------------|
|                                  | 31 March 2022 | 31 March 2021 | 31 March 2020 | 31 March 2019 |
| Discount Rate (1% movement)      | 1,421         | 1,240         | 1,141         | 979           |
| Salary Growth Rate (1% movement) | 1,242         | 1,416         | 980           | 1,139         |
| Attrition rate (50% movement)    | 1,559         | 1,212         | 1,144         | 1,002         |
| Mortality Rate (10% movement)    | 1,326         | 1,325         | 1,055         | 1,055         |

## 10. Other Details

The Employer's best estimate of the contributions expected to be paid to the plan during the next year – ₹399 lacs (previous year – ₹219 lacs).

### C. Other long term employee benefits

A sum of ₹91 lacs (Previous Year ₹78 lacs) has been charged to the Statement of Profit and Loss towards Leave encashment [Refer Note No. 31]

## Note 39: Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

### Company as a lessee

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

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases (underlying asset of less than ₹1,50,000). For these short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease. The Company has recognised ₹NIL towards short-term lease and ₹NIL towards low value assets during the year ended 31 March 2022. The Company has recognised ₹600 lacs towards the leases pertaining to the locations which are not separately identifiable units.

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

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any prepaid lease plus any initial direct costs. They are subsequently measured at cost less accumulated depreciation.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the lease term.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the incremental borrowing rate of the Company. Lease liabilities are re-measured with a corresponding adjustment to the related right of use asset if the Company changes its assessment on whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments of ₹1400 lacs have been classified as financing cash flows.

### Company as a lessor

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease. The Company recognises lease payments received under operating leases as income on a straight- line basis over the lease term. The Company has recognised ₹NIL towards income from sub-lease.

The details of Right to use Asset of the Company are as follows:

(₹ in lacs)

| Asset Class                        | Carrying Values for the year ended 31 March 2022 |                        |         |
|------------------------------------|--|------------------------|---------|
|                                    | Leasehold property                               | Leasehold Improvements | Total   |
| Balance as of 1 April 2021         | 5,285  | -                      | 5,285   |
| Add: Additions during the period   | 1,926  | -                      | 1,926   |
| Less: Deductions during the period | -  | -                      | -       |
| Less: Depreciation                 | (1,064)  | -                      | (1,064) |
| Total                              | 6,147  | -                      | 6,147   |

| Asset Class                                       | Carrying Values for the year ended 31 March 2021 |                        |         |
|---|--|------------------------|---------|
|   | Leasehold property                               | Leasehold Improvements | Total   |
| Balance as of 1 April 2020                        | 5,738  | -                      | 5,738   |
| Reclassified on account of adoption of Ind AS 116 | -  | -                      | -       |
| Add: Additions during the period                  | 551  | -                      | 551     |
| Less: Deductions during the period                | -  | -                      | -       |
| Less: Depreciation                                | (1,004)  | -                      | (1,004) |
| Total   | 5,285  | -                      | 5,285   |

Following is the movement in lease liabilities for the year:

| Asset Class                  | Carrying Values for the year ended 31 March 2022 |                        |         |
|------------------------------|--|------------------------|---------|
|                              | Leasehold property                               | Leasehold Improvements | Total   |
| Balance as of 1 April 2021   | 5,990  | -                      | 5,990   |
| Additions during the period  | 1,833  | -                      | 1,833   |
| Deductions during the period | -  | -                      | -       |
| Interest Expense             | 518  | -                      | 518     |
| Less: Lease Payments         | (1,405)  | -                      | (1,405) |
| Total                        | 6,936  | -                      | 6,936   |

| Asset Class                  | Carrying Values for the year ended 31 March 2021 |                        |         |
|------------------------------|--|------------------------|---------|
|                              | Leasehold property                               | Leasehold Improvements | Total   |
| Balance as of 1 April 2020   | 6,021  | -                      | 6,021   |
| Additions during the period  | 537  | -                      | 537     |
| Deductions during the period | -  | -                      | -       |
| Interest Expense             | 699  | -                      | 699     |
| Less: Lease Payments         | (1,267)  | -                      | (1,267) |
| Total                        | 5,990  | -                      | 5,990   |

Following is maturity analysis of contractual undiscounted cash flows

(₹ in lacs)

| Particulars          | 31 March 2022 | 31 March 2021 |
|----------------------|---------------|---------------|
| Less than 1 year     | 1,815         | 1,364         |
| One to five years    | 5,416         | 4,802         |
| More than five years | 1,553         | 1,988         |
| <b>Total</b>         | <b>8,784</b>  | <b>8,154</b>  |

#### Note 40: Corporate Social Responsibility (CSR)

(₹ in lacs)

| Particulars   | 31 March 2022 | 31 March 2021 |
|---|---------------|---------------|
| Amount required to be spent by the Company u/s 135 of the Companies Act, 2013 for CSR | 1,300         | 1,020         |
| Amount advanced towards CSR for the year  | 1,300         | 1,020         |
| Amount advanced for previous year   | -             | -             |
| Dividend on HDFC Charity Fund on CSR investments                                      | -             | 1             |
| Total amount advanced   | 1,300         | 1,020         |
| Amount advanced, pending utilization  | -             | -             |

#### Note 41 : Segment Reporting

The Company's business is to provide brokerage services to its clients in the capital markets within India. All other activities of the Company revolve around the main business. As such, there are no separate reportable segments as per the Ind AS on Operating Segment (Ind AS 108), specified under the Companies Act, 2013. The necessary information to report the revenues from the external customers for each product and service, or each group of similar products and service is not available and the cost to develop it would be excessive. Similarly, the geographical information related to the revenue from the external customers attributed to the entity's country of domicile and to all other foreign countries in total is not available and the cost to develop it would be excessive. No single customer accounts for the revenue, which is equal or more than ten percent of the total revenue of the entity, hence no such segment could be identified.

#### Note 42 : Related Party Disclosures

A

(₹ in lacs)

| Parent company                          | HDFC Bank Limited |
|---|-------------------|
| Investor exerting significant influence | HDFC Limited      |

#### B. List of Key Management Personnel (KMP)

|                     |  |
|---------------------|--|
| Bharat Shah         | Non-executive Chairman (till 28 Feb 2022)      |
| Dhiraj Relli        | Managing Director                              |
| Ashish Rathi        | Whole-Time Director                            |
| Abhay Aima          | Non-executive Director (till 15 July 2021)     |
| Amla Samanta        | Non-executive Independent Director             |
| Jagdish Capoor      | Non-executive Director (till 13 January 2022)  |
| Samir Bhatia        | Non-executive Independent Director             |
| Malay Patel         | Non-executive Independent Director             |
| C V Ganesh          | Chief Financial Officer (till 04 July 2020)    |
| Kunal Sanghavi      | Chief Financial Officer (w.e.f 20 August 2020) |
| Venkitakrishnan N.E | Company Secretary (till 12 August 2021)        |
| Mitul Palankar      | Company Secretary (w.e.f 13 August 2021)       |

## C

|                               |  |
|-------------------------------|--|
| Post Employment Benefits Plan | Employees Group Gratuity cum Life Assurance Scheme |
|-------------------------------|--|

## D. List of other related parties

|   |   |
|---|---|
| HDFC Asset Management Company Ltd         | Subsidiary Company of Investor exerting significant influence |
| HDFC Credila Financial Services Pvt. Ltd. | Subsidiary Company of Investor exerting significant influence |
| HDFC Ergo General Insurance Co. Ltd.      | Subsidiary Company of Investor exerting significant influence |
| HDFC Life Insurance Company Limited       | Subsidiary Company of Investor exerting significant influence |

## List of KMP & Directors of Parent Company

|                             |   |
|-----------------------------|---|
| Sashidhar Jagdishan         | Managing Director and Chief Executive Officer (w.e.f. 27 October 2020)        |
| Kaizad Bharucha             | Executive Director (w.e.f. 27 October 2020)                                   |
| Renu Sud Karnad             | Additional Executive Director   |
| Malay Patel                 | Independent Director  |
| M. D. Ranganath             | Independent Director  |
| Umesh Chandra Sarangi       | Independent Director  |
| Srikanth Nadhamuni          | Non-Executive Director  |
| Sanjiv Sachar               | Independent Director  |
| Sandeep Parekh              | Independent Director  |
| Dr. (Ms.) Sunita Maheshwari | Additional Independent Director (w.e.f. 30 March 2021)                        |
| Atanu Chakraborty           | Non-Executive Part Time Chairman and Independent Director (w.e.f 05 May 2021) |
| Lily Vadera                 | Additional Independent Director (w.e.f 26 November 2021)                      |
| Aditya Puri                 | Managing Director (till 26 October 2020)                                      |
| Santosh Haldankar           | Company Secretary   |

## Relatives of Key Managerial Personnel or Directors

|                           |                               |
|---------------------------|-------------------------------|
| Anita B. Shah             | Spouse of Bharat Shah         |
| Archana Relli             | Spouse of Dhiraj Relli        |
| Kritya Relli              | Daughter of Dhiraj Relli      |
| Vimal Relli               | Brother of Dhiraj Relli       |
| Lalita Rathi              | Mother of Ashish Rathi        |
| Poonam Rathi              | Spouse of Ashish Rathi        |
| Jagdishan Chandrasekharan | Father of Sashidhar Jagdishan |
| Ashim Samanta             | Spouse of Amla Samanta        |
| Neela Bhatia              | Spouse of Samir Bhatia        |
| Charushila Vijay Bhatia   | Mother of Samir Bhatia        |
| Ashok Sud                 | Brother of Renu Sud Karnad    |
| Dr. Arjun Kalyanpur       | Spouse of Sunita Maheshwari   |

## Entities in which Key Managerial Personnel are interested.

|                                       |                                     |
|---------------------------------------|-------------------------------------|
| Raab Investments Pvt. Ltd.            | Abhay Aima is a director and Member |
| Salisbury Investments Private Limited | Bharat Shah is a director           |

**E**

|                          |  |
|--------------------------|--|
| <b>Fellow subsidiary</b> | <b>HDB Financials Services Limited</b> |
|--------------------------|--|

**F: Transactions with related parties**

(₹ in lacs)

| I. Parent Company  | HDFC Bank     |               |
|--|---------------|---------------|
|  | 31 March 2022 | 31 March 2021 |
| Transactions during the year:                            |               |               |
| Placement of fixed deposits                              | 20,050        | 49,192        |
| Redemption of fixed deposits                             | 20,040        | 48,977        |
| Franking Advance given                                   | 3             | 3             |
| Rendering of services (including recoveries of expenses) | 2,192         | 4,121         |
| Receiving of services (including payment of expenses)    | 4,022         | 4,038         |
| Interest received on Fixed Deposits                      | 11            | 129           |
| Interest paid  | -             | 16            |
| Dividend Paid  | 83,090        | 48,304        |

|   |        |        |
|---|--------|--------|
| Balances Outstanding :                          |        |        |
| Receivables                                     | 59     | 82     |
| Advances / (Payables)                           | 9      | 1      |
| Bank balances                                   | 81,692 | 49,805 |
| Fixed deposits                                  | 47     | 235    |
| Accrued interest on fixed deposit – receivable* | 2      | 0      |
| Accrued expenses                                | 159    | 419    |
| Advances  | 61     | 58     |
| Deposit received                                | 76     | 76     |
| Deposit payable                                 | 61     | 46     |

(₹ in lacs)

| II. Investor exerting significant influence              | HDFC Limited  |               |
|--|---------------|---------------|
|  | 31 March 2022 | 31 March 2021 |
| Transactions during the year:                            |               |               |
| Rendering of services (Including recoveries of expenses) | 257           | 245           |
| Interest Received  | 20            | 131           |
| Placement of Fixed Deposits                              | -             | 10,000        |
| Redemption of Fixed Deposits                             | 5,000         | 5,000         |

|                               |   |   |
|-------------------------------|---|---|
| <b>Balances Outstanding :</b> |   |   |
| Receivables                   | 0 | 2 |

(₹ in lacs)

| III. Fellow subsidiary                                   | HDB Financials |               |
|--|----------------|---------------|
|  | 31 March 2022  | 31 March 2021 |
| Transactions during the year:                            |                |               |
| Rendering of services (Including recoveries of expenses) | -              | -             |
| Receiving of services (Including payment of expenses)    | 19             | 9             |

|                        |   |   |
|------------------------|---|---|
| Balances Outstanding : |   |   |
| Receivables            | 2 | 1 |
| Accrued expenses       | - | - |

(₹ in lacs)

| IV. Other Related Parties                                | 31 March 2022 | 31 March 2021 |
|--|---------------|---------------|
| <b>HDFC Asset Management Company Ltd</b>                 |               |               |
| <b>Transactions during the year :</b>                    |               |               |
| Rendering of services (Including recoveries of expenses) | 2             | 2             |
| <b>Balances Outstanding :</b>                            |               |               |
| Receivables  | 1             | 1             |
| <b>HDFC Credila Financial Services Pvt. Ltd.</b>         |               |               |
| <b>Transactions during the year :</b>                    |               |               |
| Rendering of services (Including recoveries of expenses) | -             | -             |
| <b>Balances Outstanding :</b>                            |               |               |
| Receivables  | 2             | 2             |
| <b>HDFC Ergo General Insurance Co. Ltd.</b>              |               |               |
| <b>Transactions during the year :</b>                    |               |               |
| Rendering of services (Including recoveries of expenses) | 19            | 24            |
| Receiving of services (Including payment of expenses)    | 24            | 35            |
| <b>Balances Outstanding :</b>                            |               |               |
| Receivables*   | 0             | 2             |
| Payables   | (23)          | (29)          |
| Accrued Expenses   | -             | -             |
| <b>HDFC Life Insurance Company Limited</b>               |               |               |
| <b>Transactions during the year :</b>                    |               |               |
| Rendering of services (Including recoveries of expenses) | 4,794         | 2,176         |
| Receiving of services (Including payment of expenses)    | 190           | 210           |
| <b>Balances Outstanding :</b>                            |               |               |
| Receivables  | 97            | 197           |
| Payables*  | (18)          | (1)           |
| Accrued Expenses   | -             | -             |

\* Less than ₹ 50,000 /-

(₹ in lacs)

| KMP, Directors, Their Relatives and Entities in which KMP are interested | 31 March 2022 | 31 March 2022 |
|--|---------------|---------------|
| <b>Nature of Transaction</b>   |               |               |
| Rendering of services (including recoveries of expenses)                 | 32            | 183           |
| Receiving of services (including payment of expenses)                    | 39            | 32            |
| Sitting Fees Paid  | 70            | 54            |
| Managerial Remuneration & Perquisites Paid                               | 3,066         | 1,032         |
| Dividend Paid  | 249           | 154           |
| ESOP - Number of options outstanding                                     | 29,050        | 4,000         |

Note:

- The future liability for gratuity and compensated absences is provided on an actuarial basis for the Company as a whole, accordingly the amount pertaining to KMP's is not ascertainable separately, and not included above.
- Managerial remuneration includes ESOP exercise during the year, bonus on accrual basis.
- The relatives having transactions during the year (and previous year) have been shown in the list above
- Refer Note # 31 for Employee Stock Option granted to HDFC Bank Employee who are on secondment to the company.

## Note 43: Financial instruments

### A. Financial instruments – Fair values

The following table shows the carrying amount and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy:

The carrying value and fair value of financial instruments by categories as of 31 March 2022 are as follows:

(₹ in lacs)

| 31 March 2022                                    | Carrying amount |                |                | Fair value   |               |              |               |
|--|-----------------|----------------|----------------|--------------|---------------|--------------|---------------|
|  | FVTPL           | Amortised cost | Total          | Level 1      | Level 2       | Level 3      | Total         |
| <b>Financial assets</b>                          |                 |                |                |              |               |              |               |
| Financial assets measured at fair value          |                 |                |                |              |               |              |               |
| Investments                                      | 24,377          |                | 24,377         | 1,196        | 21,216        | 1,965        | 24,377        |
| Financial assets not measured at fair value      |                 |                |                |              |               |              |               |
| Cash and cash equivalents                        |                 | 96,792         | 96,792         | -            | -             | -            | -             |
| Bank Balance other than above                    |                 | 263,091        | 263,091        | -            | -             | -            | -             |
| Receivables                                      |                 |                |                | -            | -             | -            | -             |
| Trade Receivables                                |                 | 50,586         | 50,586         | -            | -             | -            | -             |
| Loans  |                 | 328,348        | 328,348        | -            | -             | -            | -             |
| Other Financial Assets                           |                 | 6,102          | 6,102          | -            | -             | -            | -             |
| <b>Total</b>                                     | <b>24,377</b>   | <b>744,919</b> | <b>769,296</b> | <b>1,196</b> | <b>21,216</b> | <b>1,965</b> | <b>24,377</b> |
| <b>Financial liabilities</b>                     |                 |                |                |              |               |              |               |
| Financial liabilities not measured at fair value |                 |                |                |              |               |              |               |
| Trade Payables                                   |                 | 142,068        | 142,068        | -            | -             | -            | -             |
| Borrowings                                       |                 | 461,914        | 461,914        | -            | -             | -            | -             |
| Lease Liability                                  |                 | 6,936          | 6,936          | -            | -             | -            | -             |
| Other financial liabilities                      |                 | 469            | 469            | -            | -             | -            | -             |
| <b>Total</b>                                     | <b>-</b>        | <b>611,387</b> | <b>611,387</b> | <b>-</b>     | <b>-</b>      | <b>-</b>     | <b>-</b>      |

The carrying value and fair value of financial instruments by categories as of 31 March 2021 are as follows:

(₹ in lacs)

| 31 March 2021                                    | Carrying amount |                |                | Fair value |               |            |               |
|--|-----------------|----------------|----------------|------------|---------------|------------|---------------|
|  | FVTPL           | Amortised cost | Total          | Level 1    | Level 2       | Level 3    | Total         |
| <b>Financial assets</b>                          |                 |                |                |            |               |            |               |
| Financial assets measured at fair value          |                 |                |                |            |               |            |               |
| Investments                                      | 23,595          |                | 23,595         | 232        | 23,034        | 329        | 23,595        |
| Financial assets not measured at fair value      |                 |                |                |            |               |            |               |
| Cash and cash equivalents                        |                 | 59,854         | 59,854         | -          | -             | -          | -             |
| Bank Balance other than above                    |                 | 157,981        | 157,981        | -          | -             | -          | -             |
| Receivables                                      |                 |                |                |            |               |            |               |
| Trade Receivables                                |                 | 43,961         | 43,961         | -          | -             | -          | -             |
| Loans  |                 | 167,415        | 167,415        | -          | -             | -          | -             |
| Other Financial Assets                           |                 | 4,385          | 4,385          | -          | -             | -          | -             |
| <b>Total</b>                                     | <b>23,595</b>   | <b>433,596</b> | <b>457,191</b> | <b>232</b> | <b>23,034</b> | <b>329</b> | <b>23,595</b> |
| <b>Financial liabilities</b>                     |                 |                |                |            |               |            |               |
| Financial liabilities not measured at fair value |                 |                |                |            |               |            |               |
| Trade Payables                                   | -               | 103,987        | 103,987        | -          | -             | -          | -             |
| Borrowings                                       |                 | 204,043        | 204,043        |            |               |            |               |
| Lease Liability                                  |                 | 5,990          | 5,990          |            |               |            |               |
| Other financial liabilities                      | -               | 291            | 291            | -          | -             | -          | -             |
| <b>Total</b>                                     | <b>-</b>        | <b>314,311</b> | <b>314,311</b> | <b>-</b>   | <b>-</b>      | <b>-</b>   | <b>-</b>      |

## 2. Valuation principles

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 principle (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether the price is directly observable or estimated using a valuation technique.

In order to show how fair values have been derived, financial instruments are classified based on hierarchy of valuation techniques, as explained in the note 2.5.

Note:

(₹ in lacs)

| Particulars  | 31 March 2022 | 31 March 2021 |
|--|---------------|---------------|
| The fair value of shares on Margin Pledge and Withhold | 450,344       | 249,969       |

Note: The above collaterals are held from the broking clients, for positions in equity & derivatives segments.

### Transfers between Levels 1, 2 and 3

There were no transfers between level 1, 2 and 3.

## 3. Financial instruments not measured at fair value

Financial assets not measured at fair value includes cash and cash equivalents, trade receivables, loans and other financial assets. These are financial assets whose carrying amounts approximate fair value, due to their short-term nature.

Additionally, financial liabilities such as trade payables and other financial liabilities are not measured at FVTPL, whose carrying amounts approximate fair value, because of their short-term nature.

## B. Financial risk management

Company has operations in India. Whilst risk is inherent in the Company's activities, it is managed through an integrated risk management framework, including ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Company's continuing profitability and each individual within the Company is accountable for the risk exposures relating to his or her responsibilities. The Company is exposed to credit risk, liquidity risk and market risk. It is also subject to various operating and business risks.

### a. Credit Risk

Credit risk is the risk that the Company will incur a loss because its customers or counterparties fail to discharge their contractual obligation. The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties, and by monitoring exposures in relations to such limits.

The maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented in the financial statements. The Company's major classes of financial assets are cash and cash equivalents, loans, investment in mutual fund units, term deposits, trade receivables and security deposits.

Deposits with banks are considered to have negligible risk or nil risk, as they are maintained with high rated banks/financial institutions as approved by the Board of directors

Investments include investment in liquid mutual fund units that are marketable securities of eligible financial institutions for a specified time period with high credit rating given by domestic credit rating agencies.

The management has established accounts receivable policy under which customer accounts are regularly monitored. The Company has a dedicated risk management team, which monitors the positions, exposures and margins on a continuous basis.

Expected Credit Loss (ECL):

For the purpose of computation of ECL, the term default implies an event where amount due towards margin requirement and / or mark to market losses for which the client was unable to provide funds / collaterals to bridge the shortfall, the same is termed as margin call triggered.

For arriving at the ECL, the Company follows ECL module as approved by board.

### The movement in expected credit loss

(₹ in lacs)

| Particulars                             | Carrying amount | Carrying amount |
|---|-----------------|-----------------|
|   | 31 March 2022   | 31 March 2021   |
| Opening balance                         | 961             | 256             |
| Impairment loss recognised / (reversed) | 590             | 705             |
| Closing balance                         | 1,551           | 961             |

### Ageing of Margin Trading Funding and Trade Receivable as at 31 March 2022

(₹ in lacs)

| Particulars   | Carrying Amount | Less than 6 months | 6 months-1year | 1-2 years | 2-3 years | more than 3years | total   |
|---|-----------------|--------------------|----------------|-----------|-----------|------------------|---------|
| Margin Trading Funding  | 328,348         | 260,545            | 67,803         | -         | -         | -                | 328,348 |
| i) Undisputed -Trade Receivables -considered good                                 | 50,586          | 50,586             | -              | -         | -         | -                | 50,586  |
| ii) Undisputed -Trade Receivables -which have significant increase in credit risk | -               | -                  | -              | -         | -         | -                | -       |
| iii) Undisputed -Trade Receivables -credit impaired                               | -               | -                  | -              | -         | -         | -                | -       |
| iv) Disputed -Trade Receivables -considered good                                  | -               | -                  | -              | -         | -         | -                | -       |
| v) Disputed -Trade Receivables -which have significant increase in credit risk    | -               | -                  | -              | -         | -         | -                | -       |
| vi) Disputed -Trade Receivables -credit impaired                                  | -               | -                  | -              | -         | -         | -                | -       |

Note: More than 90 days or disputed amount has been considered as provision for doubtful debts

### Ageing of Margin Trading Funding and Trade Receivable as at 31 March 2021

(₹ in lacs)

| Particulars   | Carrying Amount | Less than 6 months | 6 months-1year | 1-2 years | 2-3 years | more than 3years | total   |
|---|-----------------|--------------------|----------------|-----------|-----------|------------------|---------|
| Margin Trading Funding  | 167,415         | 162,131            | 5,284          | -         | -         | -                | 167,415 |
| i) Undisputed -Trade Receivables -considered good                                 | 43,961          | 43,961             | -              | -         | -         | -                | 43,961  |
| ii) Undisputed -Trade Receivables -which have significant increase in credit risk | -               | -                  | -              | -         | -         | -                | -       |
| iii) Undisputed -Trade Receivables -credit impaired                               | -               | -                  | -              | -         | -         | -                | -       |
| iv) Disputed -Trade Receivables -considered good                                  | -               | -                  | -              | -         | -         | -                | -       |
| v) Disputed -Trade Receivables -which have significant increase in credit risk    | -               | -                  | -              | -         | -         | -                | -       |
| vi) Disputed -Trade Receivables -credit impaired                                  | -               | -                  | -              | -         | -         | -                | -       |

Note: More than 90 days or disputed amount has been considered as provision for doubtful debts

#### b. Liquidity risk

Liquidity risk is the risk that the entity will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The entity's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the entity's reputation.

Prudent liquidity risk management requires sufficient cash and marketable securities and availability of funds through adequate committed credit facilities to meet obligations when due and to close out market positions.

The Company has a view of maintaining liquidity with minimal risks while making investments. The Company invests its surplus funds in short term liquid assets in bank deposits and liquid mutual funds. The Company monitors its cash and bank balances periodically in view of its short term obligations associated with its financial liabilities.

#### The following are the remaining contractual maturities of financial liabilities as on 31 March 2022

##### Financial Liabilities

(₹ in lacs)

| Particulars   | Carrying Amount | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total   |
|---|-----------------|------------------|-----------|-----------|-------------------|---------|
| total outstanding dues of micro enterprises and small enterprises | 11              | 11               | -         | -         | -                 | 11      |
| Payable to Exchanges  | -               | -                | -         | -         | -                 | -       |
| Payable to Clients  | 141,559         | 141,559          | -         | -         | -                 | 141,559 |
| Other trade payables  | 498             | 498              | -         | -         | -                 | 498     |
| Borrowings  | 461,914         | 461,914          | -         | -         | -                 | 461,914 |
| Lease Liabilities   | 6,936           | 155              | 271       | 214       | 6,296             | 6,936   |
| Other financial liabilities                                       | 469             | 469              | -         | -         | -                 | 469     |
| Total   | 611,387         | 604,606          | 271       | 214       | 6,296             | 611,387 |

## Details of Commercial Papers matured during the year ended 31 March 2022

(₹ in lacs)

| Name                                     | ISIN         | Issue Date | Maturity Date | Amount | Rate p.a. | Days | Repayment date |
|--|--------------|------------|---------------|--------|-----------|------|----------------|
| ICICI Prudential MF \ HSL\CP\20-21\028   | INE700G14355 | 12-Jan-21  | 9-Apr-21      | 10,000 | 3.54%     | 87   | 9-Apr-21       |
| ICICI Prudential MF \ HSL\CP\20-21\030   | INE700G14371 | 20-Jan-21  | 16-Apr-21     | 5,000  | 3.79%     | 86   | 16-Apr-21      |
| ICICI Prudential MF \ HSL\CP\20-21\031   | INE700G14371 | 20-Jan-21  | 16-Apr-21     | 5,000  | 3.79%     | 86   | 16-Apr-21      |
| SBI MF-SBI LIQUID FUND\ HSL\CP\20-21\029 | INE700G14363 | 19-Jan-21  | 20-Apr-21     | 25,000 | 3.79%     | 91   | 20-Apr-21      |
| IL&FS MF \ HSL\CP\20-21\032              | INE700G14389 | 20-Jan-21  | 27-Apr-21     | 1,620  | 3.95%     | 97   | 27-Apr-21      |
| IL&FS MF \ HSL\CP\20-21\033              | INE700G14389 | 20-Jan-21  | 27-Apr-21     | 380    | 3.95%     | 97   | 27-Apr-21      |
| IL&FS MF \ HSL\CP\20-21\034              | INE700G14389 | 20-Jan-21  | 27-Apr-21     | 335    | 3.95%     | 97   | 27-Apr-21      |
| IL&FS MF \ HSL\CP\20-21\035              | INE700G14389 | 20-Jan-21  | 27-Apr-21     | 770    | 3.95%     | 97   | 27-Apr-21      |
| IL&FS MF \ HSL\CP\20-21\036              | INE700G14389 | 20-Jan-21  | 27-Apr-21     | 1,195  | 3.95%     | 97   | 27-Apr-21      |
| IL&FS MF \ HSL\CP\20-21\037              | INE700G14389 | 20-Jan-21  | 27-Apr-21     | 700    | 3.95%     | 97   | 27-Apr-21      |
| Nippon MF \ HSL\CP\20-21\038             | INE700G14397 | 28-Jan-21  | 28-Apr-21     | 10,000 | 4.05%     | 90   | 28-Apr-21      |
| DSP MF \ HSL\CP\20-21\027                | INE700G14348 | 24-Dec-20  | 30-Apr-21     | 10,000 | 3.87%     | 127  | 30-Apr-21      |
| Nippon MF\HSL\CP\20-21\039               | INE700G14405 | 2-Feb-21   | 3-May-21      | 10,000 | 3.97%     | 90   | 3-May-21       |
| Invesco MF \HSL\CP\20-21\040             | ING700G14413 | 3-Feb-21   | 4-May-21      | 10,000 | 3.97%     | 90   | 4-May-21       |
| L&T MF \HSL\CP\20-21\041                 | INE700G14421 | 16-Feb-21  | 18-May-21     | 10,000 | 3.84%     | 91   | 18-May-21      |
| Nippon MF \HSL\CP\20-21\042              | INE700G14439 | 17-Feb-21  | 19-May-21     | 10,000 | 3.84%     | 91   | 19-May-21      |
| Mahindra MF\HSL\CP\20-21\043             | INE700G14447 | 24-Feb-21  | 25-May-21     | 5,000  | 3.70%     | 90   | 25-May-21      |
| Franklin MF\HSL\CP\20-21\044             | INE700G14447 | 24-Feb-21  | 25-May-21     | 10,000 | 3.70%     | 90   | 25-May-21      |
| HSBC MF \HSL\CP\20-21\045                | INE700G14454 | 26-Feb-21  | 27-May-21     | 10,000 | 3.70%     | 90   | 27-May-21      |
| Kotak Mahindra MF\HSL\CP\20-21\046       | INE700G14462 | 2-Mar-21   | 1-Jun-21      | 10,000 | 3.70%     | 91   | 1-Jun-21       |
| Aditya Birla MF\HSL\CP\20-21\047         | INE700G14462 | 3-Mar-21   | 1-Jun-21      | 10,000 | 3.70%     | 90   | 1-Jun-21       |
| Baroda MF \HSL\CP\20-21\048              | INE700G14470 | 9-Mar-21   | 7-Jun-21      | 10,000 | 3.84%     | 90   | 7-Jun-21       |
| HSBC MF\HSL\CP\20-21\049                 | INE700G14470 | 10-Mar-21  | 7-Jun-21      | 5,000  | 3.84%     | 89   | 7-Jun-21       |
| Kotak Mahindra MF\HSL\CP\20-21\050       | INE700G14470 | 10-Mar-21  | 7-Jun-21      | 5,000  | 3.84%     | 89   | 7-Jun-21       |
| Kotak Mahindra MF \ HSL\CP\20-21\051     | INE700G14488 | 15-Mar-21  | 11-Jun-21     | 5,000  | 3.86%     | 88   | 11-Jun-21      |
| DSP MF\HSL\CP\20-21\052                  | INE700G14488 | 15-Mar-21  | 11-Jun-21     | 5,000  | 3.86%     | 88   | 11-Jun-21      |
| Invesco Trustee MF \ HSL\CP\20-21\18     | INE700G14272 | 4-Nov-20   | 18-Jun-21     | 5,000  | 3.83%     | 226  | 18-Jun-21      |
| L&T MF\HSL\CP\20-21\053                  | INE700G14496 | 24-Mar-21  | 22-Jun-21     | 10,000 | 3.84%     | 90   | 22-Jun-21      |
| UTI MF \HSL\CP\21-22\002                 | INE700G14520 | 20-Apr-21  | 23-Jun-21     | 25,000 | 3.53%     | 64   | 23-Jun-21      |
| L&T MF\HSL\CP\20-21\054                  | INE700G14504 | 26-Mar-21  | 24-Jun-21     | 5,000  | 3.64%     | 90   | 24-Jun-21      |
| Tata MF\HSL\CP\21-22\001                 | INE700G14512 | 16-Apr-21  | 15-Jul-21     | 10,000 | 3.75%     | 90   | 15-Jul-21      |
| Tata MF\HSL\CP\21-22\003                 | INE700G14538 | 28-Apr-21  | 27-Jul-21     | 25,000 | 3.62%     | 90   | 27-Jul-21      |
| ICICI Prudential MF \ HSL\CP\21-22\004   | INE700G14546 | 4-May-21   | 2-Aug-21      | 10,000 | 3.58%     | 90   | 2-Aug-21       |
| Invesco MF \HSL\CP\21-22\005             | INE700G14546 | 4-May-21   | 2-Aug-21      | 10,000 | 3.58%     | 90   | 2-Aug-21       |
| Tata MF\HSL\CP\21-22\006                 | INE700G14553 | 14-May-21  | 12-Aug-21     | 20,000 | 3.70%     | 90   | 12-Aug-21      |
| IDFC MF\HSL\CP\21-22\007                 | INE700G14561 | 18-May-21  | 17-Aug-21     | 20,000 | 3.67%     | 91   | 17-Aug-21      |
| Aditya Birla MF\HSL\CP\21-22\008         | INE700G14579 | 20-May-21  | 18-Aug-21     | 10,000 | 3.67%     | 90   | 18-Aug-21      |
| BNP Paribas MF\HSL\CP\21-22\009          | INE700G14587 | 25-May-21  | 24-Aug-21     | 5,000  | 3.68%     | 91   | 24-Aug-21      |
| Mahindra MF\HSL\CP\21-22\010             | INE700G14587 | 25-May-21  | 24-Aug-21     | 5,000  | 3.68%     | 91   | 24-Aug-21      |
| HSBC MF\HSL\CP\21-22\011                 | INE700G14595 | 27-May-21  | 25-Aug-21     | 10,000 | 3.68%     | 90   | 25-Aug-21      |
| Aditya Birla MF\HSL\CP\21-22\012         | INE700G14603 | 31-May-21  | 30-Aug-21     | 20,000 | 3.70%     | 91   | 30-Aug-21      |
| Franklin MF\HSL\CP\20-21\013             | INE700G14603 | 31-May-21  | 30-Aug-21     | 7,500  | 3.69%     | 91   | 30-Aug-21      |
| Aditya Birla MF\HSL\CP\21-22\014         | INE700G14611 | 1-Jun-21   | 31-Aug-21     | 12,500 | 3.69%     | 91   | 31-Aug-21      |
| Kotak Mahindra MF\ HSL\CP\21-22\15       | INE700G14629 | 7-Jun-21   | 6-Sep-21      | 10,000 | 3.68%     | 91   | 6-Sep-21       |
| DSP MF \HSL\CP\21-22\022                 | INE700G14652 | 14-Jun-21  | 13-Sep-21     | 5,000  | 3.69%     | 91   | 13-Sep-21      |
| HSBC MF\HSL\CP\21-22\023                 | INE700G14652 | 14-Jun-21  | 13-Sep-21     | 5,000  | 3.69%     | 91   | 13-Sep-21      |
| UTI MF\HSL\CP\21-22\024                  | INE700G14660 | 16-Jun-21  | 15-Sep-21     | 10,000 | 3.70%     | 91   | 15-Sep-21      |

(₹ in lacs)

| Name                                   | ISIN         | Issue Date | Maturity Date | Amount | Rate p.a. | Days | Repayment date |
|--|--------------|------------|---------------|--------|-----------|------|----------------|
| L&T MF \HSL\CP\21-22\028               | INE700G14694 | 23-Jun-21  | 20-Sep-21     | 10,000 | 3.74%     | 89   | 20-Sep-21      |
| NIPPON MF\HSL\CP\21-21\025             | INE700G14686 | 22-Jun-21  | 21-Sep-21     | 10,000 | 3.80%     | 91   | 21-Sep-21      |
| UTI MF\HSL\CP\21-22\026                | INE700G14678 | 23-Jun-21  | 22-Sep-21     | 5,000  | 3.74%     | 91   | 22-Sep-21      |
| NIPPON MF \HSL\CP\21-22\027            | INE700G14678 | 23-Jun-21  | 22-Sep-21     | 25,000 | 3.74%     | 91   | 22-Sep-21      |
| DSP MF \HSL\CP\21-22\029               | INE700G14702 | 28-Jun-21  | 27-Sep-21     | 10,000 | 3.69%     | 91   | 27-Sep-21      |
| UTI MF \HSL\CP\21-22\0053              | INE700G14850 | 13-Sep-21  | 14-Oct-21     | 20,000 | 3.53%     | 31   | 14-Oct-21      |
| L&T MF \HSL\CP\21-22\047               | INE700G14819 | 3-Sep-21   | 18-Oct-21     | 10,000 | 3.51%     | 45   | 18-Oct-21      |
| Invesco MF \HSL\CP\21-22\0048          | INE700G14835 | 7-Sep-21   | 22-Oct-21     | 5,000  | 3.49%     | 45   | 22-Oct-21      |
| MIRAE MF\HSL\CP\201-22\0049            | INE700G14835 | 7-Sep-21   | 22-Oct-21     | 5,000  | 3.49%     | 45   | 22-Oct-21      |
| Kotak Mahindra MF\HSL\CP\21-22\0050    | INE700G14835 | 8-Sep-21   | 22-Oct-21     | 10,000 | 3.49%     | 44   | 22-Oct-21      |
| NIPPON MF\HSL\CP\21-21\030             | INE700G14710 | 26-Jul-21  | 25-Oct-21     | 25,000 | 3.80%     | 91   | 25-Oct-21      |
| NIPPON MF\HSL\CP\21-22\031             | INE700G14728 | 2-Aug-21   | 29-Oct-21     | 20,000 | 3.84%     | 88   | 29-Oct-21      |
| IDFC MF\HSL\CP\21-22\0042              | INE700G14801 | 30-Aug-21  | 1-Nov-21      | 10,000 | 3.58%     | 63   | 1-Nov-21       |
| IDFC MF\HSL\CP\21-22\0043              | INE700G14801 | 31-Aug-21  | 1-Nov-21      | 10,000 | 3.58%     | 62   | 1-Nov-21       |
| UTI MF\HSL\CP\21-22\032                | INE700G14736 | 10-Aug-21  | 8-Nov-21      | 7,500  | 3.98%     | 90   | 8-Nov-21       |
| ICICI Prudential MF \ HSL\CP\21-22\033 | INE700G14744 | 11-Aug-21  | 9-Nov-21      | 5,000  | 3.92%     | 90   | 9-Nov-21       |
| ADITYA BIRLA MF\HSL\CP\21-22\34        | INE700G14744 | 11-Aug-21  | 9-Nov-21      | 7,500  | 3.92%     | 90   | 9-Nov-21       |
| UTI MF \HSL\CP\21-22\035               | INE700G14751 | 13-Aug-21  | 11-Nov-21     | 10,000 | 3.81%     | 90   | 11-Nov-21      |
| SBI MF\HSL\CP\21-22\0036               | INE700G14769 | 17-Aug-21  | 16-Nov-21     | 20,000 | 3.78%     | 91   | 16-Nov-21      |
| Adity Birla MF\HSL\CP\21-22\0037       | INE700G14777 | 23-Aug-21  | 22-Nov-21     | 10,000 | 3.61%     | 91   | 22-Nov-21      |
| HSBC MF \HSL\CP\21-22\0038             | INE700G14785 | 26-Aug-21  | 24-Nov-21     | 10,000 | 3.64%     | 90   | 24-Nov-21      |
| Mahindra MF\HSL\CP\21-22\0039          | INE700G14793 | 30-Aug-21  | 29-Nov-21     | 5,000  | 3.63%     | 91   | 29-Nov-21      |
| BNP Paribas MF\HSL\CP\21-22\0040       | INE700G14793 | 30-Aug-21  | 29-Nov-21     | 5,000  | 3.63%     | 91   | 29-Nov-21      |
| Baroda MF\HSL\CP\21-22\0041            | INE700G14793 | 30-Aug-21  | 29-Nov-21     | 10,000 | 3.63%     | 91   | 29-Nov-21      |
| Franklin MF\HSL\CP\21-22\044           | INE700G14827 | 1-Sep-21   | 30-Nov-21     | 7,500  | 3.62%     | 90   | 30-Nov-21      |
| ICICI Prudential MF \ HSL\CP\21-22\045 | INE700G14827 | 1-Sep-21   | 30-Nov-21     | 2,500  | 3.62%     | 90   | 30-Nov-21      |
| ICICI Prudential MF \ HSL\CP\21-22\046 | INE700G14827 | 1-Sep-21   | 30-Nov-21     | 10,000 | 3.62%     | 90   | 30-Nov-21      |
| UTI MF \HSL\CP\21-22\0075              | INE700G14967 | 20-Oct-21  | 6-Dec-21      | 20,000 | 3.60%     | 47   | 6-Dec-21       |
| Adity Birla MF\HSL\CP\21-22\0051       | INE700G14843 | 9-Sep-21   | 9-Dec-21      | 20,000 | 3.65%     | 91   | 9-Dec-21       |
| Adity Birla MF\HSL\CP\21-22\0052       | INE700G14843 | 9-Sep-21   | 9-Dec-21      | 10,000 | 3.65%     | 91   | 9-Dec-21       |
| DSP MF \HSL\CP\21-22\0054              | INE700G14868 | 14-Sep-21  | 14-Dec-21     | 15,000 | 3.65%     | 91   | 14-Dec-21      |
| HSBC MF \HSL\CP\21-22\0055             | INE700G14868 | 14-Sep-21  | 14-Dec-21     | 5,000  | 3.65%     | 91   | 14-Dec-21      |
| Baroda MF \HSL\CP\21-22\0056           | INE700G14876 | 17-Sep-21  | 16-Dec-21     | 10,000 | 3.68%     | 90   | 16-Dec-21      |
| ICICI PRUDENTIAL MF\HSL\CP\21-22\0057  | INE700G14884 | 20-Sep-21  | 20-Dec-21     | 15,000 | 3.68%     | 91   | 20-Dec-21      |
| UTI MF \HSL\CP\21-22\058               | INE700G14884 | 20-Sep-21  | 20-Dec-21     | 5,000  | 3.68%     | 91   | 20-Dec-21      |
| UTI MF\HSL\CP\21-22\059                | INE700G14892 | 21-Sep-21  | 21-Dec-21     | 20,000 | 3.68%     | 91   | 21-Dec-21      |
| Kotak Mahindra MF\HSL\CP\21-22\0060    | INE700G14892 | 21-Sep-21  | 21-Dec-21     | 10,000 | 3.68%     | 91   | 21-Dec-21      |
| DSP MF\HSL\CP\21-22\0061               | INE700G14892 | 21-Sep-21  | 21-Dec-21     | 10,000 | 3.68%     | 91   | 21-Dec-21      |
| L&T MF\HSL\CP\21-22\0074               | INE700G14959 | 18-Oct-21  | 24-Dec-21     | 15,000 | 3.55%     | 67   | 24-Dec-21      |
| DSP MF\HSL\CP\21-22\0062               | INE700G14900 | 27-Sep-21  | 27-Dec-21     | 10,000 | 3.78%     | 91   | 27-Dec-21      |
| ICICI PRUDENTIAL MF\HSL\CP\21-22\0063  | INE700G14918 | 4-Oct-21   | 3-Jan-22      | 5,000  | 3.98%     | 91   | 3-Jan-22       |
| ICICI PRUDENTIAL MF\HSL\CP\21-22\0064  | INE700G14918 | 4-Oct-21   | 3-Jan-22      | 5,000  | 3.98%     | 91   | 3-Jan-22       |
| UTI MF\HSL\CP\21-22\0071               | INE700G14934 | 8-Oct-21   | 7-Jan-22      | 15,000 | 3.92%     | 91   | 7-Jan-22       |
| Nippon MF \HSL\CP\21-22\0072           | INE700G14942 | 13-Oct-21  | 12-Jan-22     | 20,000 | 3.74%     | 91   | 12-Jan-22      |
| Invesco MF \HSL\CP\21-22\0073          | INE700G14942 | 13-Oct-21  | 12-Jan-22     | 10,000 | 3.74%     | 91   | 12-Jan-22      |
| ICICI Prudential MF\HSL\CP\21-22\0077  | INE700G14983 | 21-Oct-21  | 20-Jan-22     | 7,500  | 3.90%     | 91   | 20-Jan-22      |
| Axis MF\HSL\CP\21-22\0078              | INE700G14983 | 21-Oct-21  | 20-Jan-22     | 5,000  | 3.90%     | 91   | 20-Jan-22      |
| Nippon MF\HSL\CP\21-22\0079            | INE700G14983 | 21-Oct-21  | 20-Jan-22     | 15,000 | 3.90%     | 91   | 20-Jan-22      |
| Kotak Mahindra MF\HSL\CP\21-22\0076    | INE700G14975 | 22-Oct-21  | 21-Jan-22     | 10,000 | 3.74%     | 91   | 21-Jan-22      |
| BARODA MF\HSL\CP\21-22\0086            | INE700G14991 | 25-Oct-21  | 24-Jan-22     | 10,000 | 3.98%     | 91   | 24-Jan-22      |

# FINANCIAL REVIEW

(₹ in lacs)

| Name  | ISIN         | Issue Date | Maturity Date | Amount | Rate p.a. | Days | Repayment date |
|---|--------------|------------|---------------|--------|-----------|------|----------------|
| Nippon MF\HSL\CP\21-22\0087                   | INE700G14AC3 | 28-Oct-21  | 27-Jan-22     | 25,000 | 4.40%     | 91   | 27-Jan-22      |
| Nippon MF\HSL\CP\21-22\0088                   | INE700G14AB5 | 29-Oct-21  | 28-Jan-22     | 15,000 | 4.40%     | 91   | 28-Jan-22      |
| IDFC MF\HSL\CP\21-22\0089                     | INE700G14AD1 | 3-Nov-21   | 2-Feb-22      | 10,000 | 4.65%     | 91   | 2-Feb-22       |
| Invesco MF\HSL\CP\21-22\0100                  | INE700G14AK6 | 8-Dec-21   | 4-Feb-22      | 10,000 | 3.98%     | 58   | 4-Feb-22       |
| Nippon MF\HSL\CP\21-22\0090                   | INE700G14AE9 | 9-Nov-21   | 8-Feb-22      | 20,000 | 4.62%     | 91   | 8-Feb-22       |
| Nippon MF\HSL\CP\21-22\0091                   | INE700G14AF6 | 10-Nov-21  | 9-Feb-22      | 10,000 | 4.59%     | 91   | 9-Feb-22       |
| L&T Technology Services Ltd\HSL\CP\21-22\0092 | INE700G14AF6 | 10-Nov-21  | 9-Feb-22      | 10,000 | 4.59%     | 91   | 9-Feb-22       |
| IDFC MF\HSL\CP\21-22\0093                     | INE700G14AG4 | 15-Nov-21  | 10-Feb-22     | 10,000 | 4.05%     | 87   | 10-Feb-22      |
| UTI MF\HSL\CP\21-22\0094                      | INE700G14AG4 | 15-Nov-21  | 10-Feb-22     | 10,000 | 4.05%     | 87   | 10-Feb-22      |
| L&T MF\HSL\CP\21-22\109                       | INE700G14AP5 | 24-Dec-21  | 22-Feb-22     | 10,000 | 4.20%     | 60   | 22-Feb-22      |
| Baroda MF \HSL\CP\21-22\110                   | INE700G14AP5 | 24-Dec-21  | 22-Feb-22     | 5,000  | 4.20%     | 60   | 22-Feb-22      |
| EDELWISS MF\HSL\CP\21-22\111                  | INE700G14AP5 | 24-Dec-21  | 22-Feb-22     | 5,000  | 4.20%     | 60   | 22-Feb-22      |
| MIRAE MF\HSL\CP\21-22\112                     | INE700G14AP5 | 24-Dec-21  | 22-Feb-22     | 5,000  | 4.20%     | 60   | 22-Feb-22      |
| HSBC MF\HSL\CP\21-22\0095                     | INE700G14AH2 | 24-Nov-21  | 23-Feb-22     | 10,000 | 4.19%     | 91   | 23-Feb-22      |
| UTI MF\HSL\CP\21-22\0096                      | INE700G14AH2 | 25-Nov-21  | 23-Feb-22     | 10,000 | 4.19%     | 90   | 23-Feb-22      |
| L&T MF\HSL\CP\21-22\114                       | INE700G14AQ3 | 28-Dec-21  | 25-Feb-22     | 10,000 | 4.28%     | 59   | 25-Feb-22      |
| Kotak Mahindra\HSL\CP\21-22\115               | INE700G14AQ3 | 28-Dec-21  | 25-Feb-22     | 10,000 | 4.28%     | 59   | 25-Feb-22      |
| SBI MF\HSL\CP\21-22\0097                      | INE700G14AI0 | 29-Nov-21  | 28-Feb-22     | 30,000 | 4.02%     | 91   | 28-Feb-22      |
| Mahindra MF\HSL\CP\21-22\127                  | INE700G14AY7 | 28-Jan-22  | 2-Mar-22      | 5,000  | 4.05%     | 33   | 2-Mar-22       |
| Baroda MF \HSL\CP\21-22\126                   | INE700G14AY7 | 28-Jan-22  | 2-Mar-22      | 15,000 | 4.05%     | 33   | 2-Mar-22       |
| ICICI Prudential MF\HSL\CP\21-22\0098         | INE700G14AJ8 | 3-Dec-21   | 3-Mar-22      | 15,000 | 4.00%     | 90   | 3-Mar-22       |
| L&T MF\HSL\CP\21-22\0099                      | INE700G14AJ8 | 3-Dec-21   | 3-Mar-22      | 10,000 | 4.00%     | 90   | 3-Mar-22       |
| UTI MF\HSL\CP\21-22\0101                      | INE700G14AL4 | 13-Dec-21  | 7-Mar-22      | 15,000 | 4.10%     | 84   | 7-Mar-22       |
| Aditya Birla MF \HSL\CP\21-22\0102            | INE700G14AL4 | 13-Dec-21  | 7-Mar-22      | 15,000 | 4.10%     | 84   | 7-Mar-22       |
| Franklin MF\HSL\CP\21-22\0103                 | INE700G14AM2 | 14-Dec-21  | 11-Mar-22     | 7,500  | 4.10%     | 87   | 11-Mar-22      |
| HSBC MF\HSL\CP\21-22\0104                     | INE700G14AM2 | 14-Dec-21  | 11-Mar-22     | 5,000  | 4.10%     | 87   | 11-Mar-22      |
| UTI MF\HSL\CP\21-22\0105                      | INE700G14AO8 | 20-Dec-21  | 17-Mar-22     | 20,000 | 4.27%     | 87   | 17-Mar-22      |
| SBI MF\HSL\CP\21-22\106                       | INE700G14AO8 | 21-Dec-21  | 17-Mar-22     | 20,000 | 4.27%     | 86   | 17-Mar-22      |
| Aditya Birla MF\HSL\CP\21-22\107              | INE700G14AN0 | 21-Dec-21  | 21-Mar-22     | 25,000 | 4.27%     | 90   | 21-Mar-22      |
| UTI MF\HSL\CP\21-22\0108                      | INE700G14AN0 | 21-Dec-21  | 21-Mar-22     | 20,000 | 4.27%     | 90   | 21-Mar-22      |

Details of Commercial Papers as at 31 March 2022

(₹ in lacs)

| Name                                 | ISIN         | Issue Date | Maturity Date | Amount | Rate p.a. | Days |
|--------------------------------------|--------------|------------|---------------|--------|-----------|------|
| IL&FS MF \ HSL\CP\21-22\080          | INE700G14AA7 | 22-Oct-21  | 21-Apr-22     | 1,650  | 4.50%     | 181  |
| IL&FS MF \ HSL\CP\21-22\081          | INE700G14AA7 | 22-Oct-21  | 21-Apr-22     | 360    | 4.50%     | 181  |
| IL&FS MF \ HSL\CP\21-22\082          | INE700G14AA7 | 22-Oct-21  | 21-Apr-22     | 430    | 4.50%     | 181  |
| IL&FS MF \ HSL\CP\21-22\083          | INE700G14AA7 | 22-Oct-21  | 21-Apr-22     | 810    | 4.50%     | 181  |
| IL&FS MF \ HSL\CP\21-22\084          | INE700G14AA7 | 22-Oct-21  | 21-Apr-22     | 820    | 4.50%     | 181  |
| IL&FS MF \ HSL\CP\21-22\085          | INE700G14AA7 | 22-Oct-21  | 21-Apr-22     | 930    | 4.50%     | 181  |
| IL&FS MF \ HSL\CP\21-22\065          | INE700G14926 | 5-Oct-21   | 26-Apr-22     | 2,420  | 4.35%     | 203  |
| IL&FS MF \ HSL\CP\21-22\066          | INE700G14926 | 5-Oct-21   | 26-Apr-22     | 2,290  | 4.35%     | 203  |
| IL&FS MF \ HSL\CP\21-22\067          | INE700G14926 | 5-Oct-21   | 26-Apr-22     | 2,790  | 4.35%     | 203  |
| IL&FS MF \ HSL\CP\21-22\068          | INE700G14926 | 5-Oct-21   | 26-Apr-22     | 560    | 4.35%     | 203  |
| IL&FS MF \ HSL\CP\21-22\069          | INE700G14926 | 5-Oct-21   | 26-Apr-22     | 1,540  | 4.35%     | 203  |
| IL&FS MF \ HSL\CP\21-22\070          | INE700G14926 | 5-Oct-21   | 26-Apr-22     | 400    | 4.35%     | 203  |
| DSP MF \HSL\CP\21-22\113             | INE700G14AR1 | 27-Dec-21  | 27-May-22     | 10,000 | 4.82%     | 151  |
| Axis MF \HSL\CP\21-22\119            | INE700G14AT7 | 11-Jan-22  | 5-Apr-22      | 15,000 | 4.18%     | 84   |
| ICICI Prudential MF\HSL\CP\21-22\120 | INE700G14AU5 | 20-Jan-22  | 20-Apr-22     | 20,000 | 4.13%     | 90   |

(₹ in lacs)

| Name   | ISIN         | Issue Date | Maturity Date | Amount | Rate p.a. | Days |
|--|--------------|------------|---------------|--------|-----------|------|
| DSP MF\HSL\CP\21-22\121                      | INE700G14AU5 | 20-Jan-22  | 20-Apr-22     | 20,000 | 4.13%     | 90   |
| Kotak Mahindra\HSL\CP\21-22\122              | INE700G14AV3 | 24-Jan-22  | 25-Apr-22     | 25,000 | 4.15%     | 91   |
| EDELWISS MF\HSL\CP\21-22\125                 | INE700G14AX9 | 28-Jan-22  | 28-Apr-22     | 2,500  | 4.26%     | 90   |
| UTI MF\HSL\CP\21-22\0116                     | INE700G14AS9 | 7-Jan-22   | 10-Jun-22     | 10,000 | 4.75%     | 154  |
| Aditya Birla MF\HSL\CP\21-22\117             | INE700G14AS9 | 7-Jan-22   | 10-Jun-22     | 10,000 | 4.75%     | 154  |
| Tata MF \HSL\CP\21-22\118                    | INE700G14AS9 | 7-Jan-22   | 10-Jun-22     | 5,000  | 4.75%     | 154  |
| Kotak Mahindra MF \HSL\CP\21-22\124          | INE700G14AW1 | 27-Jan-22  | 15-Jul-22     | 10,000 | 4.74%     | 169  |
| UTI MF\HSL\CP\21-22\0123                     | INE700G14AW1 | 27-Jan-22  | 15-Jul-22     | 5,000  | 4.74%     | 169  |
| SBI MF\HSL\CP\21-22\131                      | INE700G14AX9 | 8-Feb-22   | 28-Apr-22     | 20,000 | 4.63%     | 79   |
| IDFC MF  HSL\CP\21-22\129                    | INE700G14BA5 | 3-Feb-22   | 29-Apr-22     | 10,000 | 4.44%     | 85   |
| L&T Technology Services Ltd\HSL\CP\21-22\130 | INE700G14BB3 | 3-Feb-22   | 5-May-22      | 5,000  | 4.44%     | 91   |
| Nippon MF \HSL\CP\21-22\132                  | INE700G14BC1 | 9-Feb-22   | 10-May-22     | 25,000 | 4.60%     | 90   |
| MIRAE MF\HSL\CP\21-22\133                    | INE700G14BD9 | 15-Feb-22  | 17-May-22     | 5,000  | 4.34%     | 91   |
| IDFC MF\HSL\CP\21-22\134                     | INE700G14BD9 | 15-Feb-22  | 17-May-22     | 10,000 | 4.34%     | 91   |
| Baroda MF \HSL\CP\21-22\135                  | INE700G14BE7 | 22-Feb-22  | 24-May-22     | 5,000  | 4.29%     | 91   |
| Invesco MF \HSL\CP\21-22\136                 | INE700G14BE7 | 22-Feb-22  | 24-May-22     | 5,000  | 4.29%     | 91   |
| ICICI Prudential MF\HSL\CP\21-22\137         | INE700G14BE7 | 22-Feb-22  | 24-May-22     | 7,500  | 4.29%     | 91   |
| IDFC MF\HSL\CP\21-22\138                     | INE700G14BE7 | 22-Feb-22  | 24-May-22     | 5,000  | 4.29%     | 91   |
| ICICI Prudential MF\HSL\CP\21-22\139         | INE700G14BE7 | 22-Feb-22  | 24-May-22     | 7,500  | 4.29%     | 91   |
| L&T MF\HSL\CP\21-22\140                      | INE700G14BE7 | 22-Feb-22  | 24-May-22     | 5,000  | 4.29%     | 91   |
| HSBC MF \CP\21-22\141                        | INE700G14BE7 | 23-Feb-22  | 24-May-22     | 12,500 | 4.29%     | 90   |
| Kotak MF\HSL\CP \21-22\142                   | INE700G14BF4 | 25-Feb-22  | 26-May-22     | 15,000 | 4.39%     | 90   |
| LARSEN & TOUBRO LTD\HSL\CP\21-22\128         | INE700G14AZ4 | 3-Feb-22   | 2-Feb-23      | 10,000 | 5.30%     | 364  |
| Baroda MF \HSL\CP\21-22\143                  | INE700G14BF4 | 2-Mar-22   | 26-May-22     | 10,000 | 4.39%     | 85   |
| UTI MF\HSL\CP\21-22\144                      | INE700G14BF4 | 2-Mar-22   | 26-May-22     | 10,000 | 4.39%     | 85   |
| UTI MF\HSL\CP\21-22\145                      | INE700G14BG2 | 3-Mar-22   | 31-May-22     | 15,000 | 4.39%     | 89   |
| UTI MF\HSL\CP\21-22\146                      | INE700G14BH0 | 7-Mar-22   | 6-Jun-22      | 15,000 | 4.45%     | 91   |
| ICICI Prudential MF\HSL\CP\21-22\147         | INE700G14BH0 | 7-Mar-22   | 6-Jun-22      | 7,500  | 4.45%     | 91   |
| Aditya Birla MF\HSL\CP\21-22\148             | INE700G14BJ6 | 11-Mar-22  | 7-Jun-22      | 15,000 | 4.50%     | 88   |
| Aditya Birla MF\HSL\CP\21-22\149             | INE700G14AS9 | 14-Mar-22  | 10-Jun-22     | 10,000 | 4.50%     | 88   |
| UTI MF\HSL\CP\21-22\150                      | INE700G14AS9 | 14-Mar-22  | 10-Jun-22     | 10,000 | 4.50%     | 88   |
| SBI MF\HSL\CP\21-22\151                      | INE700G14B18 | 16-Mar-22  | 14-Jun-22     | 30,000 | 4.50%     | 90   |
| ICICI Prudential MF\HSL\CP\21-22\152         | INE700G14B18 | 16-Mar-22  | 14-Jun-22     | 7,500  | 4.50%     | 90   |
| UTI MF\HSL\CP\21-22\153                      | INE700G14BK4 | 21-Mar-22  | 20-Jun-22     | 20,000 | 4.47%     | 91   |

The following are the remaining contractual maturities of financial liabilities as on 31 March 2021

Financial Liabilities

(₹ in lacs)

| Particulars   | Carrying Amount | Less than 1 year | 1-2 years  | 2-3 years  | More than 3 years | Total          |
|---|-----------------|------------------|------------|------------|-------------------|----------------|
| total outstanding dues of micro enterprises and small enterprises | 28              | 28               |            |            | -                 | 28             |
| Payable to Exchanges  | 55              | 55               |            |            | -                 | 55             |
| Payable to Clients  | 103,428         | 103,428          |            |            | -                 | 103,428        |
| Other trade payables  | 476             | 476              |            |            | -                 | 476            |
| Borrowings  | 204,043         | 204,043          |            |            | -                 | 204,043        |
| Lease Liabilities   | 5,990           | 18               | 325        | 328        | 5,319             | 5,990          |
| Other financial liabilities                                       | 291             | 291              |            |            | -                 | 291            |
| <b>Total</b>  | <b>314,311</b>  | <b>308,339</b>   | <b>325</b> | <b>328</b> | <b>5,319</b>      | <b>314,311</b> |

Details of Commercial Papers matured during the year ended 31 March 2021

(₹ in lacs)

| Name  | ISIN         | Issue Date | Maturity Date | Amount | Rate p.a. | Days | Repayment date |
|---|--------------|------------|---------------|--------|-----------|------|----------------|
| Mirae Asset Mutual Fund -CP-HSL\CP\19-20\013      | INE700G14124 | 28-Jan-20  | 15-Jul-20     | 10,000 | 6.75%     | 169  | 15-Jul-20      |
| SBI MF-SBI LIQUID FUND -CP-HSL \ CP \ 19-20 \ 014 | INE700G14116 | 29-Jan-20  | 28-Jul-20     | 10,000 | 6.96%     | 181  | 28-Jul-20      |
| SBI MF-SBI LIQUID FUND -CP-HSL \ CP \ 19-20 \ 015 | INE700G14116 | 30-Jan-20  | 28-Jul-20     | 10,000 | 6.96%     | 180  | 28-Jul-20      |
| Tata MF \ HSL\CP\19-20\016                        | INE700G14140 | 12-Feb-20  | 12-May-20     | 10,000 | 6.08%     | 90   | 12-May-20      |
| UTI MF \ HSL\CP\19-20\017                         | INE700G14132 | 11-Feb-20  | 5-May-20      | 20,000 | 6.08%     | 84   | 5-May-20       |
| UTI MF \ HSL\CP\19-20\018                         | INE700G14157 | 13-Mar-20  | 11-Jun-20     | 10,000 | 5.65%     | 90   | 11-Jun-20      |
| DSP Mutual Fund -CP-HSL\CP\20-21\001              | INE700G14165 | 18-Jun-20  | 16-Sep-20     | 5,000  | 4.65%     | 90   | 16-Sep-20      |
| UTI Mutual Fund -CP-HSL\CP\20-21\002              | INE700G14165 | 18-Jun-20  | 16-Sep-20     | 5,000  | 4.65%     | 90   | 16-Sep-20      |
| UTI Mutual Fund -CP-HSL\CP\20-21\003              | INE700G14173 | 23-Jun-20  | 21-Sep-20     | 10,000 | 4.00%     | 90   | 21-Sep-20      |
| DSP Mutual Fund -CP-HSL\CP\20-21\004              | INE700G14173 | 23-Jun-20  | 21-Sep-20     | 10,000 | 4.00%     | 90   | 21-Sep-20      |
| Aditya Birla MF-CP-HSL\CP\20-21\005               | INE700G14181 | 14-Jul-20  | 9-Oct-20      | 10,000 | 3.88%     | 87   | 9-Oct-20       |
| ICICI Prudential -CP-HSL\CP\20-21\006             | INE700G14199 | 21-Jul-20  | 20-Oct-20     | 10,000 | 3.84%     | 91   | 20-Oct-20      |
| DSP MF CP-HSL\CP\20-21\007                        | INE700G14207 | 23-Jul-20  | 19-Jan-21     | 10,000 | 4.29%     | 180  | 19-Jan-21      |
| Aditya Birla MF CP-HSL\CP\20-21\008               | INE700G14207 | 23-Jul-20  | 19-Jan-21     | 5,000  | 4.29%     | 180  | 19-Jan-21      |
| TATA SHORT TERM BOND FUND-HSL\CP\20-21\009        | INE700G14207 | 23-Jul-20  | 19-Jan-21     | 5,000  | 4.29%     | 180  | 19-Jan-21      |
| TATA MONEY MARKET FUND-HSL\CP\20-21\010           | INE700G14207 | 23-Jul-20  | 19-Jan-21     | 2,500  | 4.29%     | 180  | 19-Jan-21      |
| TATA BAF MF CP-HSL\CP\20-21\011                   | INE700G14207 | 23-Jul-20  | 19-Jan-21     | 2,500  | 4.29%     | 180  | 19-Jan-21      |
| UTI MF CP-HSL\CP\20-21\012                        | INE700G14215 | 27-Jul-20  | 24-Dec-20     | 20,000 | 4.00%     | 150  | 24-Dec-20      |
| UTI MF \ HSL\CP\20-21\013                         | INE700G14223 | 15-Sep-20  | 15-Dec-20     | 10,000 | 3.65%     | 91   | 15-Dec-20      |
| HSBC MF \ HSL\CP\20-21\014                        | INE700G14231 | 21-Sep-20  | 27-Nov-20     | 20,000 | 3.67%     | 67   | 27-Nov-20      |
| ADITYA BIRLA MF \ HSL\CP\20-21\015                | INE700G14249 | 20-Oct-20  | 12-Jan-21     | 10,000 | 3.46%     | 84   | 12-Jan-21      |
| MAHINDRA MF \ HSL\CP\20-21\16                     | INE700G14256 | 22-Oct-20  | 4-Dec-20      | 5,000  | 3.32%     | 43   | 4-Dec-20       |
| Tata MF \ HSL\CP\20-21\17                         | INE700G14264 | 27-Oct-20  | 25-Jan-21     | 5,000  | 3.44%     | 90   | 25-Jan-21      |
| Invesco Trustee MF \ HSL\CP\20-21\19              | INE700G14280 | 5-Nov-20   | 3-Feb-21      | 10,000 | 3.42%     | 90   | 3-Feb-21       |
| HSBC MF \ HSL\CP\20-21\20                         | INE700G14298 | 27-Nov-20  | 26-Feb-21     | 10,000 | 3.23%     | 91   | 26-Feb-21      |
| HSBC MF \ HSL\CP\20-21\21                         | INE700G14306 | 2-Dec-20   | 3-Mar-21      | 10,000 | 3.20%     | 91   | 3-Mar-21       |
| UTI MF \ HSL\CP\20-21\022                         | INE700G14314 | 15-Dec-20  | 9-Mar-21      | 10,000 | 3.40%     | 84   | 9-Mar-21       |
| HSBC MF \ HSL\CP\20-21\23                         | INE700G14314 | 15-Dec-20  | 9-Mar-21      | 5,000  | 3.40%     | 84   | 9-Mar-21       |
| UTI MF \ HSL\CP\20-21\024                         | INE700G14314 | 16-Dec-20  | 9-Mar-21      | 5,000  | 3.36%     | 83   | 9-Mar-21       |
| Nippon MF \ HSL\CP\20-21\025                      | INE700G14322 | 18-Dec-20  | 16-Feb-21     | 10,000 | 3.40%     | 60   | 16-Feb-21      |
| UTI MF \ HSL\CP\20-21\026                         | INE700G14330 | 24-Dec-20  | 24-Mar-21     | 10,000 | 3.43%     | 90   | 24-Mar-21      |

Details of Commercial Papers as at 31 March 2021

(₹ in lacs)

| Name                                     | ISIN         | Issue Date | Maturity Date | Amount | Rate p.a. | Days |
|--|--------------|------------|---------------|--------|-----------|------|
| Invesco Trustee MF \ HSL\CP\20-21\18     | INE700G14272 | 4-Nov-20   | 18-Jun-21     | 5,000  | 3.83%     | 226  |
| DSP MF \ HSL\CP\20-21\027                | INE700G14348 | 24-Dec-20  | 30-Apr-21     | 10,000 | 3.87%     | 127  |
| ICICI Prudential MF \ HSL\CP\20-21\028   | INE700G14355 | 12-Jan-21  | 9-Apr-21      | 10,000 | 3.54%     | 87   |
| SBI MF-SBI LIQUID FUND\ HSL\CP\20-21\029 | INE700G14363 | 19-Jan-21  | 20-Apr-21     | 25,000 | 3.79%     | 91   |
| ICICI Prudential MF \ HSL\CP\20-21\030   | INE700G14371 | 20-Jan-21  | 16-Apr-21     | 5,000  | 3.79%     | 86   |
| ICICI Prudential MF \ HSL\CP\20-21\031   | INE700G14371 | 20-Jan-21  | 16-Apr-21     | 5,000  | 3.79%     | 86   |
| IL&FS MF \ HSL\CP\20-21\032              | INE700G14389 | 20-Jan-21  | 27-Apr-21     | 1,620  | 3.95%     | 97   |
| IL&FS MF \ HSL\CP\20-21\033              | INE700G14389 | 20-Jan-21  | 27-Apr-21     | 380    | 3.95%     | 97   |
| IL&FS MF \ HSL\CP\20-21\034              | INE700G14389 | 20-Jan-21  | 27-Apr-21     | 335    | 3.95%     | 97   |
| IL&FS MF \ HSL\CP\20-21\035              | INE700G14389 | 20-Jan-21  | 27-Apr-21     | 770    | 3.95%     | 97   |
| IL&FS MF \ HSL\CP\20-21\036              | INE700G14389 | 20-Jan-21  | 27-Apr-21     | 1,195  | 3.95%     | 97   |

(₹ in lacs)

| Name                                | ISIN         | Issue Date | Maturity Date | Amount | Rate p.a. | Days |
|-------------------------------------|--------------|------------|---------------|--------|-----------|------|
| IL&FS MF \ HSL\CP\20-21\037         | INE700G14389 | 20-Jan-21  | 27-Apr-21     | 700    | 3.95%     | 97   |
| Nippon MF \ HSL\CP\20-21\038        | INE700G14397 | 28-Jan-21  | 28-Apr-21     | 10,000 | 4.05%     | 90   |
| Nippon MF\HSL\CP\20-21\039          | INE700G14405 | 2-Feb-21   | 3-May-21      | 10,000 | 3.97%     | 90   |
| Invesco MF \HSL\CP\20-21\040        | ING700G14413 | 3-Feb-21   | 4-May-21      | 10,000 | 3.97%     | 90   |
| L&T MF \HSL\CP\20-21\041            | INE700G14421 | 16-Feb-21  | 18-May-21     | 10,000 | 3.84%     | 91   |
| Nippon MF \HSL\CP\20-21\042         | INE700G14439 | 17-Feb-21  | 19-May-21     | 10,000 | 3.84%     | 91   |
| Mahindra MF\HSL\CP\20-21\043        | INE700G14447 | 24-Feb-21  | 25-May-21     | 5,000  | 3.70%     | 90   |
| Franklin MF\HSL\CP\20-21\044        | INE700G14447 | 24-Feb-21  | 25-May-21     | 10,000 | 3.70%     | 90   |
| HSBC MF \HSL\CP\20-21\045           | INE700G14454 | 26-Feb-21  | 27-May-21     | 10,000 | 3.70%     | 90   |
| Kotak Mahindra MF\HSL\CP\20-21\046  | INE700G14462 | 2-Mar-21   | 1-Jun-21      | 10,000 | 3.70%     | 91   |
| Aditya Birla MF\HSL\CP\20-21\047    | INE700G14462 | 3-Mar-21   | 1-Jun-21      | 10,000 | 3.70%     | 90   |
| Baroda MF \HSL\CP\20-21\048         | INE700G14470 | 9-Mar-21   | 7-Jun-21      | 10,000 | 3.84%     | 90   |
| HSBC MF\HSL\CP\20-21\049            | INE700G14470 | 10-Mar-21  | 7-Jun-21      | 5,000  | 3.84%     | 89   |
| Kotak Mahindra MF\HSL\CP\20-21\050  | INE700G14470 | 10-Mar-21  | 7-Jun-21      | 5,000  | 3.84%     | 89   |
| Kotak Mahindra MF\ HSL\CP\20-21\051 | INE700G14488 | 15-Mar-21  | 11-Jun-21     | 5,000  | 3.86%     | 88   |
| DSP MF\HSL\CP\20-21\052             | INE700G14488 | 15-Mar-21  | 11-Jun-21     | 5,000  | 3.86%     | 88   |
| L&T MF\HSL\CP\20-21\053             | INE700G14496 | 24-Mar-21  | 22-Jun-21     | 10,000 | 3.84%     | 90   |
| L&T MF\HSL\CP\20-21\054             | INE700G14504 | 26-Mar-21  | 24-Jun-21     | 5,000  | 3.64%     | 90   |

### c. Market risk

Market risk is the risk that the fair value or future Cash flows of a financial instrument will fluctuate because of changes in market prices. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

#### i. Foreign currency risk

The Company does not have any foreign currency exposure as at each reporting date. Accordingly, foreign currency risk disclosure is not applicable.

#### ii. Interest rate risk

The Company is exposed to Interest risk if the fair value or future cash flows of its financial instruments will fluctuate as a result of changes in market interest rates. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates.

The Company's interest rate risk arises from borrowings, interest bearing deposits with bank and loans given to customers. Such instruments exposes the Company to fair value interest rate risk. Management believe that the interest rate risk attached to this financial assets are not significant due to the nature of this financial assets. All the borrowings of the company are fixed interest rate bearing instrument and hence there is no impact of movement in interest rate.

#### iii. Market price risks

The Company is exposed to market price risk, which arises from FVTPL investment in mutual funds. The management monitors the proportion of mutual funds investments in its investment portfolio based on market indices. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the appropriate authority.

### Note 44: Share-based payment arrangements:

#### A. Description of share-based payment arrangements

##### i. Share option plans (Equity Settled)

On 13 February 2017, 21 June 2019, 14 December 2020, 16 September 2021 and on 13 January 2022 the Company has granted share options, that entitles the employees and the key management personnel (KMP) to purchase the shares in the Company. Holders of the vested stock options are entitled to purchase shares at the exercise price of the shares. The key terms and conditions related to the grants under the plan are as follows; and all options are to be settled by the delivery of shares.

| Grant date / employees entitled                      | Number of instruments | Vesting conditions  | Method of settlement | Contractual life of options |
|--|-----------------------|---|----------------------|-----------------------------|
| "Options granted to employees and KMP on 13-02-2017" | 280,000               | The options granted to the KMPs and employees shall vest in three years from the date of Grant. | Equity settled       | Four years                  |
| "Options granted to employees and KMP on 21-06-2019" | 94,500                | The options granted to the KMPs and employees shall vest in three years from the date of Grant. | Equity settled       | Four years                  |
| "Options granted to employees and KMP on 14-12-2020" | 167,500               | The options granted to the KMPs and employees shall vest in six years from the date of Grant.   | Equity settled       | Six years                   |
| "Options granted to employees and KMP on 16-09-2021" | 67,500                | The options granted to the KMPs and employees shall vest in six years from the date of Grant.   | Equity settled       | Six years                   |
| "Options granted to employees and KMP on 13-01-2022" | 43,000                | The options granted to the KMPs and employees shall vest in six years from the date of Grant.   | Equity settled       | Six years                   |
| <b>Total share options granted till date</b>         | <b>652,500</b>        |   |                      |                             |

## B. Measurement of fair values

Equity-settled share-based payment arrangements

The fair value of the employee share options has been measured using Black - Scholes Option pricing model.

The fair value of the options and the inputs used in the measurement of the grant-date fair values of the equity-settled share based payment options granted during the year are as follows:

|  | As at 31 March 2022<br>Share option plan for KMPs and employees                                       | As at 31 March 2021<br>Share option plan for KMPs and employees                                       |
|--|---|---|
| Fair value of options as on grant date (₹)           | 1870.3 - 2745.84  | 1663.6 - 2271.5   |
| Share price as on grant date (₹)                     | 6098 - 8051   | 5458  |
| Exercise price (₹)                                   | 6098 - 8051   | 5458  |
| Expected volatility                                  | 45.00%  | 45.00%  |
| Expected life (expected weighted average life)       | 3 to 6 years  | 3 to 6 years  |
| Expected dividends                                   | 4.91%   | 2.28%   |
| Risk- free interest rate (based on government bonds) | 5.22% to 6.24%  | 4.47% to 5.64%  |
| Method used to determine expected volatility         | The expected volatility is based on price volatility of listed companies in same or similar industry. | The expected volatility is based on price volatility of listed companies in same or similar industry. |

## C. Reconciliation of outstanding share options

The number and weighted-average exercise prices of share options under the share option programmes were as follows.

|   | Number of options | Weighted average exercise price | Number of options | Weighted average exercise price |
|---|-------------------|---------------------------------|-------------------|---------------------------------|
|   | 31 March 2022     | 31 March 2022                   | 31 March 2021     | 31 March 2021                   |
| <b>(A) Equity-settled Share-based payments:</b>     |                   |                                 |                   |                                 |
| Options outstanding as at the beginning of the year | 228,650           | ₹ 5,237                         | 110,000           | ₹ 4,254                         |
| Add: Options granted during the year                | 110,500           | ₹ 6,858                         | 167,500           | ₹ 5,458                         |
| Less: Options lapsed / forfeited during the year    | 23,250            | ₹ 5,445                         | 12,250            | ₹ 4,994                         |
| Less: Options exercised during the year             | 62,400            | ₹ 5,017                         | 36,600            | ₹ 3,375                         |
| Options outstanding as at the year end              | 253,500           | ₹ 5,979                         | 228,650           | ₹ 5,237                         |
| Options exercisable as at the year end              | 3,500             | ₹ 5,344                         | 3,950             | ₹ 2,028                         |

## D. Expense recognised in the statement of profit and loss

Refer note 31 on employee benefit expense, for information on expense charged to the Statement of profit and loss on account of share based payments.

## E. ESOP granted by parent

### Equity-settled share-based payment arrangements

The fair value of the employee share options has been measured using binomial option-pricing model.

The fair value of the options and the inputs used in the measurement of the grant-date fair values of the equity-settled share based payment options granted during the year are as follows:

|  | As at 31 March 2021<br>Share option plan for KMPs and employees                                       |
|--|---|
| Fair value of options as on grant date (₹)           | 285 - 372   |
| Share price as on grant date (₹)                     | 1235.8  |
| Exercise price (₹)                                   | 1235.8  |
| Expected volatility                                  | 20.13% to 28.93%  |
| Expected life (expected weighted average life)       | 1 to 6 Years  |
| Expected dividends                                   | 0.61%   |
| Risk- free interest rate (based on government bonds) | 4.63% to 5.75%  |
| Method used to determine expected volatility         | The expected volatility is based on price volatility of listed companies in same or similar industry. |

### Reconciliation of outstanding share options

The number and weighted-average exercise prices of share options under the share option programmes were as follows.

|   | Number of options<br>31 March 2022 | Weighted average<br>exercise price<br>31 March 2022 | Number of options<br>31 March 2021 | Weighted average<br>exercise price<br>31 March 2021 |
|---|------------------------------------|---|------------------------------------|---|
| <b>(A) Equity-settled Share-based payments:</b>     |                                    |   |                                    |   |
| Options outstanding as at the beginning of the year | 1,393,460                          | ₹ 1,077   | 989,160                            | ₹ 1,000   |
| Add: Options granted during the year                | -                                  | -   | 485,400                            | ₹ 1,236   |
| Less: Options lapsed / forfeited during the year    | 51,100                             | ₹ 1,289   | 62,400                             | ₹ 1,110   |
| Less: Options exercised during the year             | 247,760                            | ₹ 1,214.30  | 18,700                             | ₹ 1,031   |
| Options outstanding as at the year end              | 1,094,600                          | ₹ 1,386   | 1,393,460                          | ₹ 1,077   |
| Options exercisable as at the year end              | 578,900                            | ₹ 1,493   | 550,760                            | ₹ 899   |

### Expense recognised in the statement of profit and loss

Refer note 31 on employee benefit expense, for information on expense charged to the Statement of profit and loss on account of share based payments.

## Note 45: Revenue from contract with customers

The Company derives revenue primarily from the share broking business. Its other major revenue sources are the distribution income and treasury income.

### Disaggregate revenue information

- The table below presents disaggregate revenues from contracts with customers for the year ended 31 March 2022 by type of revenue segregated into its operating segments. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of revenue and cash flows are affected by market and other economic factors.

#### Nature of Services

Broking Income - Income from services rendered as a broker is recognised upon rendering of the services, in accordance with the terms of contract.

Distribution Income - Fees for subscription based services are received periodically but are recognised as earned on a pro-rata basis over the term of the contract. Commissions from distribution of financial products are recognised upon allotment of the securities to the applicant or as the case may be, on issue of the insurance policy to the applicant after deducting claw back amount as per the agreed terms. Commissions and fees recognised as aforesaid are exclusive of goods and service tax, securities transaction tax, stamp duties and other levies by SEBI and stock exchanges.

Interest Income - Interest is earned on delayed payments from clients and amounts funded to them. Interest income is recognised on a time proportion basis taking into account the amount outstanding from customers or on the financial instrument and the rate applicable.

## 2. Disaggregate revenue information:

(₹ in lacs)

| Particulars      | 31 March 2022 | 31 March 2021 |
|------------------|---------------|---------------|
| Broking          | 115,547       | 101,478       |
| Distribution     | 24,665        | 12,524        |
| Interest on Loan | 45,878        | 15,720        |
| Interest income  | 213           | 218           |
| Total            | 186,303       | 129,940       |

## 3. Nature, timing of satisfaction of the performance obligation and significant payment terms.

Income from services rendered as a broker is recognised upon rendering of the services.

Fees for subscription based services are received periodically but are recognised as earned on a pro-rata basis over the term of the contract.

Income from services rendered as a broker is recognised upon rendering of the services.

Commissions from distribution of financial products are recognised upon allotment of the securities to the applicant or as the case may be, on issue of the insurance policy to the applicant.

Interest is earned on delayed payments from clients and amounts funded to them as well as term deposits with banks. Interest income is recognised on a time proportion basis taking into account the amount outstanding from customers or on the financial instrument and the rate applicable.

The above services are point in time in nature, and no performance obligation remains once the transaction is executed.

Fees for subscription based services are received periodically but are recognised as earned on a pro-rata basis over the term of the contract, and are over the period in nature.

## Note 46: Movement of provisions for the year ended 31 March 2022 comprises of:

(₹ in lacs)

| Particulars                               | Opening    | Addition   | Deletion | Closing    |
|---|------------|------------|----------|------------|
| Service Tax Demand*                       | 713        | -          | -        | 713        |
| Dispute with respect to trades executed** | 49         | 198        | -        | 247        |
| <b>Total</b>                              | <b>762</b> | <b>198</b> | <b>-</b> | <b>960</b> |

## Movement of provisions for the year ended 31 March 2021 comprises of:

(₹ in lacs)

| Particulars                             | Opening    | Addition  | Deletion | Closing    |
|---|------------|-----------|----------|------------|
| Service Tax Demand                      | 636        | 77        | -        | 713        |
| Dispute with respect to trades executed | 49         | -         | -        | 49         |
| <b>Total</b>                            | <b>685</b> | <b>77</b> | <b>-</b> | <b>762</b> |

Note:

\* outstanding service tax demand for July 2012 - March 2018 raised by the department, the appeal is still pending with CESTAT for disbursal.

\*\*The client lost the case before the Arbitration Panel - level 1 and also the appeal before the Arbitration Appellate Bench. Client later has filed a criminal application before the Judicial Magistrate, Andheri Court alleging criminal liability against the various officials of the Company and the Company as well.

#### Note 47 : Auditors Remuneration

(₹ in lacs)

| Particulars                   | 31 March 2022 | 31 March 2021 |
|-------------------------------|---------------|---------------|
| Auditor                       | 35            | 33            |
| For other services            | -             | -             |
| For reimbursement of expenses | 1             | 1             |
| Total                         | 36            | 34            |

#### Note 48 : Capital management

The Company manages its capital to ensure that the Company will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance.

For the purpose of the Company's capital management, capital includes issued capital and other equity reserves. The primary objective of the Company's capital management is to maximize shareholders value. The Company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

#### Note 49 : CWIP and IAUD aging schedule

(₹ in lacs)

| CWIP                           | Amount in CWIP for a year ended 31 March 2022 |           |           |                   |       |
|--------------------------------|---|-----------|-----------|-------------------|-------|
|                                | Less than 1 year                              | 1-2 years | 2-3 years | More than 3 years | Total |
| Projects in progress           | 259   | 57        | 3         | -                 | 319   |
| Projects temporarily suspended | -   | -         | -         | -                 | -     |

For capital work-in-progress, whose completion is overdue or has exceeded its cost compared to its original plan (₹ in lacs)

| CWIP      | To be completed in |           |           |                   |       |
|-----------|--------------------|-----------|-----------|-------------------|-------|
|           | Less than 1 year   | 1-2 years | 2-3 years | More than 3 years | Total |
| Project 1 | -                  | -         | -         | -                 | -     |
| Project 2 | -                  | -         | -         | -                 | -     |

Details of projects where activity has been suspended shall be given separately.

(₹ in lacs)

| CWIP                           | Amount in CWIP for a year ended 31 March 2021 |           |           |                   |       |
|--------------------------------|---|-----------|-----------|-------------------|-------|
|                                | Less than 1 year                              | 1-2 years | 2-3 years | More than 3 years | Total |
| Projects in progress           | 453   | 33        | 7         | 1                 | 494   |
| Projects temporarily suspended | -   | -         | -         | -                 | -     |

For capital work-in-progress, whose completion is overdue or has exceeded its cost compared to its original plan (₹ in lacs)

| CWIP      | To be completed in |           |           |                   |       |
|-----------|--------------------|-----------|-----------|-------------------|-------|
|           | Less than 1 year   | 1-2 years | 2-3 years | More than 3 years | Total |
| Project 1 | -                  | -         | -         | -                 | -     |
| Project 2 | -                  | -         | -         | -                 | -     |

Details of projects where activity has been suspended shall be given separately.

(₹ in lacs)

| IAUD                           | Amount in IAUD for a year ended 31 March 2022 |           |           |                   |       |
|--------------------------------|---|-----------|-----------|-------------------|-------|
|                                | Less than 1 year                              | 1-2 years | 2-3 years | More than 3 years | Total |
| Projects in progress           | 997   | 118       | -         | 36                | 1,151 |
| Projects temporarily suspended | -   | -         | -         | -                 | -     |

For Intangible Assets under development, whose completion is overdue or has exceeded its cost compared to its original plan

(₹ in lacs)

| IAUD      | To be completed in |           |           |                   | Total |
|-----------|--------------------|-----------|-----------|-------------------|-------|
|           | Less than 1 year   | 1-2 years | 2-3 years | More than 3 years |       |
| Project 1 |                    |           |           |                   | -     |
| Project 2 |                    |           |           |                   | -     |

Details of projects where activity has been suspended shall be given separately.

(₹ in lacs)

| IAUD                           | Amount in IAUD for a year ended 31 March 2021 |           |           |                   | Total |
|--------------------------------|---|-----------|-----------|-------------------|-------|
|                                | Less than 1 year                              | 1-2 years | 2-3 years | More than 3 years |       |
| Projects in progress           | 338   | 188       | 59        | -                 | 585   |
| Projects temporarily suspended |   |           |           |                   | -     |

For Intangible Assets under development, whose completion is overdue or has exceeded its cost compared to its original plan

(₹ in lacs)

| IAUD      | To be completed in |           |           |                   | Total |
|-----------|--------------------|-----------|-----------|-------------------|-------|
|           | Less than 1 year   | 1-2 years | 2-3 years | More than 3 years |       |
| Project 1 |                    |           |           |                   | -     |
| Project 2 |                    |           |           |                   | -     |

Details of projects where activity has been suspended shall be given separately.

## Note 50 : Struck off company

as at 31 March 2022

(₹ in lacs)

| Name of the struck off company | Nature of transactions with struck off company | Balance outstanding | Relationship |
|--------------------------------|--|---------------------|--------------|
|                                | Investment in securities                       | -                   |              |
|                                | Receivables                                    | -                   |              |
|                                | Payables                                       | -                   |              |
|                                | Shares held by struck off company              | -                   |              |
|                                | Other outstanding balances                     | -                   |              |

as at 31 March 2021

(₹ in lacs)

| Name of the struck off company | Nature of transactions with struck off company | Balance outstanding | Relationship |
|--------------------------------|--|---------------------|--------------|
|                                | Investment in securities                       | -                   |              |
|                                | Receivables                                    | -                   |              |
|                                | Payables                                       | -                   |              |
|                                | Shares held by struck off company              | -                   |              |
|                                | Other outstanding balances                     | -                   |              |

## Note 51 : Key Ratios

(₹ in lacs)

|   | Particulars                         | 31 March 2022 | 31 March 2021 |
|---|-------------------------------------|---------------|---------------|
| 1 | Current Ratio                       | 1.23          | 1.41          |
| 2 | Debt-Equity Ratio (times)           | 2.79          | 1.38          |
| 3 | Debt service coverage ratio (times) | 0.32          | 0.49          |
| 4 | Interest Services Coverage Ratio    | 9.45          | 18.82         |
| 5 | Net Worth (₹ in lacs)               | 165,791       | 148,031       |
| 6 | Net Profit after tax (₹ in lacs)    | 98,435        | 70,322        |

|    | Particulars                                       | 31 March 2022  | 31 March 2021  |
|----|---|----------------|----------------|
| 7  | Earnings per share (Diluted) (₹)                  | 622            | 447            |
| 8  | Outstanding redeemable preference shares          | Not Applicable | Not Applicable |
| 9  | Capital redemption / Debenture redemption reserve | Not Applicable | Not Applicable |
| 10 | Long Term Debt to Working Capital Ratio           | Nil            | Nil            |
| 11 | Bad Debts to Accounts Receivables Ratio           | Nil            | Nil            |
| 12 | Current Liability Ratio                           | 0.99           | 0.98           |
| 13 | Total Debts to Total Assets                       | 0.58           | 0.43           |
| 14 | Return on equity ratio                            | 59%            | 48%            |
| 15 | Inventory turnover ratio                          | -              | -              |
| 16 | Trade receivables turnover ratio                  | 3.93           | 3.18           |
| 17 | Trade payables turnover ratio                     | 1.40           | 1.35           |
| 18 | Net capital turnover ratio                        | 32%            | 43%            |
| 19 | Cost to Income Ratio                              | 34%            | 32%            |
| 20 | Operating profit ratio                            | 66%            | 68%            |
| 21 | Net profit ratio                                  | 49%            | 50%            |
| 22 | Return on capital employed                        | 24%            | 28%            |
| 23 | Return on investment                              | 12%            | 15%            |

#### Explanation

|    |   |  |
|----|---|--|
| 1  | Current Ratio                                     | Current Assets / Current Liabilities   |
| 2  | Debt-Equity Ratio (times)                         | Debt / Equity  |
| 3  | Debt service coverage ratio                       | Earning before Interest Tax Depreciation Amortization EBITDA / Interest + Principal          |
| 4  | Interest Services Coverage Ratio                  | Profit before interest and tax / Interest expenses   |
| 5  | Net Worth   | Equity + Other Equity  |
| 6  | Net Profit after tax                              | Total Income - Total Expense - Total Tax Expense   |
| 7  | Earnings per share (Diluted)                      | Weighted average number of equity shares / Net profit after tax                              |
| 8  | Outstanding redeemable preference shares          | Not Applicable   |
| 9  | Capital redemption / Debenture redemption reserve | Not Applicable   |
| 10 | Long Term Debt to Working Capital Ratio           | Company do not have any Long Term Debt and hence the ratio is Nil                            |
| 11 | Bad Debts to Accounts Receivables Ratio           | Company do not have any Bad Debts (Expected credit loss provided) and hence the ratio is Nil |
| 12 | Current Liability Ratio                           | Current Liability / Total Liability  |
| 13 | Total Debts to Total Assets                       | Borrowings / Total Assets  |
| 14 | Return on equity ratio                            | Profit for the year / Shareholder's Equity * 100   |
| 15 | Inventory turnover ratio                          | -  |
| 16 | Trade receivables turnover ratio                  | Total Income / Trade Receivable  |
| 17 | Trade payables turnover ratio                     | Total Income / Trade Payable   |
| 18 | Net capital turnover ratio                        | Total Income / Working Capital (Total Assets - Shareholder's Equity) * 100                   |
| 19 | Cost to Income Ratio                              | Total Expenses / Total Income  |
| 20 | Operating profit ratio                            | Profit before tax / Total Income * 100   |
| 21 | Net profit ratio                                  | Profit for the year / Total Income * 100   |
| 22 | Return on capital employed                        | Earning before Interest Tax EBIT / Capital Employed * 100                                    |
| 23 | Return on investment                              | Profit for the year / Total Assets * 100   |

## Note 52 : Maturity Analysis

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

(₹ in lacs)

| Particulars  | 31 March 2022  | Within 12 months | After 12 months |
|--|----------------|------------------|-----------------|
| <b>ASSETS</b>  |                |                  |                 |
| Financial Assets   |                |                  |                 |
| Cash and cash equivalents  | 96,792         | 96,792           | -               |
| Bank Balance other than (4) above  | 263,091        | 263,091          | -               |
| Receivables  |                |                  |                 |
| Trade Receivables  | 50,586         | 48,767           | 1,819           |
| Loans  | 328,348        | 328,348          | -               |
| Investments  | 24,377         | 21,217           | 3,160           |
| Other Financial Assets   | 6,102          | 5,172            | 930             |
|  | 769,296        | 763,387          | 5,909           |
| Non-Financial Assets   |                |                  |                 |
| Current tax assets (Net)   | 3,049          | -                | 3,049           |
| Deferred tax Assets (Net)  | -              | -                | -               |
| Investment Property  | 1,397          | -                | 1,397           |
| Property, Plant and Equipment  | 7,584          | -                | 7,584           |
| Right-of-use assets  | 6,147          |                  | 6,147           |
| Capital work-in-progress   | 319            |                  | 319             |
| Intangible assets under development  | 1,151          |                  | 1,151           |
| Other Intangible assets  | 1,968          |                  | 1,968           |
| Other non-financial assets   | 1,343          | 987              | 356             |
|  | 22,958         | 987              | 21,971          |
| <b>TOTAL ASSETS</b>  | <b>792,254</b> | <b>764,374</b>   | <b>27,880</b>   |
| <b>LIABILITIES AND EQUITY</b>  |                |                  |                 |
| LIABILITIES  |                |                  |                 |
| Financial Liabilities  |                |                  |                 |
| Payables   |                |                  |                 |
| Trade Payables   |                |                  |                 |
| - total outstanding dues of micro enterprises and small enterprises                      | 11             | 11               | -               |
| - total outstanding dues of creditors other than micro enterprises and small enterprises | 142,057        | 142,057          | -               |
| Borrowings   | 461,914        | 461,914          | -               |
| Lease Liabilities  | 6,936          | 155              | 6,781           |
| Other financial liabilities  | 469            | 392              | 77              |
|  | 611,387        | 604,529          | 6,858           |
| Non-Financial Liabilities  |                |                  |                 |
| Current tax liabilities (Net)  | 179            | 179              | -               |
| Provisions   | 11,733         | 11,499           | 234             |
| Deferred tax liabilities (Net)   | 280            | -                | 280             |
| Other non-financial liabilities  | 2,884          | 2,884            | (0)             |
|  | 15,075         | 14,562           | 513             |
| <b>Total Liabilities</b>   | <b>626,462</b> | <b>619,091</b>   | <b>7,371</b>    |
| <b>Net</b>   | <b>165,792</b> | <b>145,283</b>   | <b>20,508</b>   |

| Particulars  | 31 March 2021  | Within 12 months | After 12 months |
|--|----------------|------------------|-----------------|
| <b>ASSETS</b>  |                |                  |                 |
| Financial Assets   |                |                  |                 |
| Cash and cash equivalents  | 59,854         | 59,854           | -               |
| Bank Balance other than (4) above  | 157,981        | 157,981          | -               |
| Receivables  |                |                  |                 |
| Trade Receivables  | 43,961         | 43,001           | 960             |
| Loans  | 167,415        | 167,415          | -               |
| Investments  | 23,595         | 22,510           | 1,085           |
| Other Financial Assets   | 4,385          | 2,581            | 1,804           |
|  | 457,191        | 453,342          | 3,849           |
| Non-Financial Assets   |                |                  |                 |
| Current tax assets (Net)   | 2,232          | -                | 2,232           |
| Deferred tax Assets (Net)  | 61             | -                | 61              |
| Investment Property  | 1,424          | -                | 1,424           |
| Property, Plant and Equipment  | 6,015          | -                | 6,015           |
| Right-of-use assets  | 5,285          |                  | 5,285           |
| Capital work-in-progress   | 494            |                  | 494             |
| Intangible assets under development  | 585            |                  | 585             |
| Other Intangible assets  | 1,638          |                  | 1,638           |
| Other non-financial assets   | 966            | 812              | 154             |
|  | 18,700         | 812              | 17,888          |
| <b>TOTAL ASSETS</b>  | <b>475,891</b> | <b>454,154</b>   | <b>21,738</b>   |
| <b>LIABILITIES AND EQUITY</b>  |                |                  |                 |
| LIABILITIES  |                |                  |                 |
| Financial Liabilities  |                |                  |                 |
| Payables   |                |                  |                 |
| Trade Payables   |                |                  |                 |
| - total outstanding dues of micro enterprises and small enterprises                      | 28             | 28               | -               |
| - total outstanding dues of creditors other than micro enterprises and small enterprises | 103,959        | 103,959          | -               |
| Borrowings   | 204,043        | 204,043          | -               |
| Lease Liabilities  | 5,990          | 18               | 5,972           |
| Other financial liabilities  | 291            | 220              | 71              |
|  | 314,311        | 308,268          | 6,043           |
| Non-Financial Liabilities  |                |                  |                 |
| Current tax liabilities (Net)  | 179            | 179              | -               |
| Provisions   | 8,747          | 8,747            | -               |
| Deferred tax liabilities (Net)   | -              | -                | -               |
| Other non-financial liabilities  | 4,623          | 4,623            | -               |
|  | 13,549         | 13,549           | -               |
| <b>Total Liabilities</b>   | <b>327,861</b> | <b>321,817</b>   | <b>6,043</b>    |
| <b>Net</b>   | <b>148,031</b> | <b>132,337</b>   | <b>15,694</b>   |

## Note 53 : Title deeds of immovable properties

at 31 March 2022

| Relevant line item in the Balance Sheet | Description of item of property | Gross carrying | Title deeds held in the name of | Whether title deed holder is a promoter, director or relative# of promoter* / director or employee of promoter / director | Property held since which date | Reason for not being held in the name of the company** |
|---|---------------------------------|----------------|---------------------------------|---|--------------------------------|--|
| NA                                      |                                 |                |                                 |   |                                |  |

Note: All immovable properties title deeds under the name of HDFC Securities Limited

at 31 March 2021

| Relevant line item in the Balance Sheet | Description of item of property | Gross carrying | Title deeds held in the name of | Whether title deed holder is a promoter, director or relative# of promoter* / director or employee of promoter / director | Property held since which date | Reason for not being held in the name of the company** |
|---|---------------------------------|----------------|---------------------------------|---|--------------------------------|--|
| NA                                      |                                 |                |                                 |   |                                |  |

Note: All immovable properties title deeds under the name of HDFC Securities Limited

## Note 54 : COVID-19

The COVID-19 pandemic continues to have a considerable impact on economic activities across the various parts of the country and across the globe. The Government of India and various state governments have introduced a series of initiatives over the past year including lockdowns in order to contain the impact of the virus.

Stock broking and depository services have been declared as essential services all through the year and accordingly, the Company has faced no business stoppage/interruption on account of the lockdown. As of 31 March 2022, based on facts and circumstances existing as of that date, the Company does not anticipate any material uncertainties which affects its liquidity position and also ability to continue as a going concern.

## Note 55 : Events after reporting date

Other than the events relating to COVID-19, which has been covered in Note 54, there are no material events after the reporting date that require disclosure in these financial statements.

## As per our report of even date.

### For B S R & Co. LLP

Chartered Accountants  
ICAI Firm Registration Number: 101248W/W-100022

### RITESH GOYAL

Partner  
Membership No. 115007

Place: Mumbai

Date: 13 April 2022

For and on behalf of the Board of Directors of

### HDFC Securities Limited

CIN Number: U67120MH2000PLC152193

### DHIRAJ RELLI

Managing Director  
DIN: 07151265

### KUNAL SANGHAVI

Chief Financial Officer

### ASHISH RATHI

Whole Time Director  
DIN: 07731968  
Place: Mumbai  
Date: 13 April 2022

### MITUL PALANKAR

Company Secretary









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