

ANNUAL  
REPORT  
2023



# TABLE OF CONTENTS



## MANAGEMENT DISCUSSION

04-06

● MESSAGE FROM THE CHAIRMAN	04
● MESSAGE FROM THE MD & CEO	06



## CORPORATE OVERVIEW

10-26

● KEY METRICS	10
● FY 22-23 BUSINESS HIGHLIGHTS	12
● INVESTRIGHT™	14
● INSTITUTIONAL EQUITIES - OUR ANNUAL TAKE	15
● EMPOWERING INVESTORS/TRADERS WITH RETAIL RESEARCH	16
● TEAMWORK MAKES THE DREAM WORK - B2B CHANNEL	18
● THIRD PARTY PRODUCT - BRAGGING RIGHTS FOR FY 22-23	19
● SOCIAL MEDIA FOLLOWERS	20
● OUR SOCIAL MEDIA OFFERINGS	21
● OUR RESEARCH PUBLICATION	22
● HUMBLE DEEDS FOSTERING COMMUNITY GROWTH	24
● AWARDS & ACCOLADES	26

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## BOARD OF DIRECTORS AND SENIOR MANAGEMENT

28-30

● SENIOR MANAGEMENT TEAM	28
● PROFILE OF BOARD MEMBERS	30



## STATUTORY REPORTS & FINANCIAL STATEMENTS

33-121

● DIRECTOR'S REPORT	33
● INDEPENDENT AUDITOR'S REPORT	54
● BALANCE SHEET	66
● PROFIT & LOSS ACCOUNT	67
● STATEMENT OF CHANGES IN EQUITY	68
● CASH FLOW STATEMENT	69
● NOTES TO THE ACCOUNTS	71

## MESSAGE FROM THE CHAIRMAN

EMPOWERING INVESTORS,  
REDEFINING INVESTMENTS

**NEERAJ SWAROOP**  
Chairman, HDFC securities

Dear Shareholders,

The Indian economy is a story of remarkable resilience and growth, despite many global uncertainties and concerns. The rate of 7.2% growth in India's GDP for FY22-2023 highlights our economy's inherent strength and potential. A government that is devoted to economic reforms, strong spending habits, and favourable demographics have all contributed to this growth.



We have witnessed one of the highest tax collections at over ₹27 trillion, thanks to the increased success of GST and growing business volumes.

We believe good infrastructure, road, and rail projects in the country will ensure that we see more foreign portfolios in the future.

In such a sanguine environment, the broking and investment industry plays a more pivotal role. Investor participation has increased, given the changing investment behaviour of the Indian middle class due to rising disposable incomes. Investors are recognizing the need to grow their wealth and secure their financial future through well-informed investments.



This changing mindset has led to a record-breaking surge in retail investor accounts in the Indian stock market, having surpassed the 100 million mark in 2022 (source: NSE).

Given this increased investor participation, businesses must constantly innovate to meet shifting customer demands and changing investor patterns. Our investment base includes a sizeable proportion of millennials who have their own set of unique expectations and needs. Before investing, today's generation looks for

transparency, ease, and individualised experiences. Taking the cue, HSL has invested in cutting-edge technologies that improve the investment process and offer a seamless user experience in order to meet these needs.

Also, India's investment market has significant future prospects as we foresee the creation of new asset classes and investment opportunities, given the government's emphasis on digitization and financial inclusion. Value-based investing has become important; alternative investments, digital currencies, and sustainable investing are becoming more popular as investors look to diversify their portfolios and match them with their values.

Sustainable investing is one new trend that is altering how businesses and investors view investments. The term "sustainable investing" refers to a variety of strategies used by investors to maximise financial gains while advancing long-term environmental or social value. Our company has the strategic relationships in place and the knowledge necessary to successfully navigate these new domains, making it well-suited to embracing the changes in mindset and digitization.

We cannot emphasise enough the importance of technology today. We believe the future of investments can be unlocked with the help of technology.



**The emergence of digital platforms, Generative AI, artificial intelligence, and big data analytics has transformed the investment landscape and made it more effective and accessible.**

These platforms give investors access to real-time data, tailored suggestions, and the capability to execute transactions right at their fingertips.

Thanks to technology, brokers may now offer specialised services, create sophisticated investment plans, and derive valuable insights from data. By utilising technology, brokers can fulfil the diverse needs of their clients and offer tailored financial advice. We are investing heavily in AI since it can assist us in contextualising advice to clients (customers will receive pertinent recommendations at the appropriate moment). We anticipate that a lot of men and machine-driven intelligence will continue to influence decisions in our industry in the future.

Against this emerging reality, we are aware that our ongoing innovation and adaptation to this digital environment are essential to our success. We have made considerable investments in creating a solid digital infrastructure and encouraging an innovative culture. We are happy to announce the release of InvestRight, a cutting-edge mobile trading application with personalised features and state-of-the-art analytical capabilities.



We will enter the market during FY23-24 with our Fintech platform, HDFC SKY, where we have placed a strong emphasis on user experiences, clear user journeys, and cutting-edge tech stacks that will all improve our customers' trading experiences.

**Over the past three years, by leveraging opportunities that emerged through substantial retail participation and favourable market conditions, HDFC securities has seen exponential growth. From ₹384 crores in 2019-20 to ₹984 crores in 2021-2022, our profitability has increased by 2.5 times. As a result of sluggish market conditions, inflationary trends, and a higher base, our profits for FY23 were ₹777 crores, which led to consolidation.**

As we expand, we anticipate making the next big leap in our profitability and customer offerings by introducing groundbreaking products in a variety of markets that serve all of the market segments' needs. By introducing these new products at competitive prices, we anticipate growing our market share as well.

The cornerstone of our strategy for the future is collaboration with stakeholders. We work closely with financial institutions, regulators, and technology partners to create an ecosystem that is secure, open, and inclusive. We believe that, together, we can create a setting that encourages trust, gives investors leverage, and enables seamless transactions. Our recent collaborations with top fintech companies reiterate our dedication to alliances and have allowed us to broaden our service offerings to offer a full range of financial solutions.

In conclusion, the future of investments and broking in India is filled with immense promise and potential. **As the organization's chairman, I am confident that we are well-positioned to capitalize on these opportunities. We remain committed to fostering an innovative culture, empowering investors, and creating sustainable value for all stakeholders.**

I want to use this opportunity to thank each one of you for your steadfast belief in our company and your unfailing support. Your confidence motivates and inspires us to excel. Together, let us embark on this exciting journey into the future, shaping the investment landscape in India and realising our vision of empowering every investor to achieve their financial dreams.

Regards

**Neeraj Swaroop**  
Chairman, HDFC securities

## MESSAGE FROM THE MD &amp; CEO

# BEING ON THE ANVIL OF LIMITLESS OPPORTUNITIES

Dear Investors/ Shareholders,

we have the honour of speaking to you today as we set off on a fascinating journey into the future of our company. We are on the verge of a revolutionary change within the vibrant Indian brokerage business. Our observations have shown a remarkable trend: consumers are embracing capital markets with growing enthusiasm. They want more control over their finances and are acutely aware of their own needs. This gives us a fantastic opportunity to create highly customised solutions and carefully selected experiences via our platforms. The interaction between customers and our brand will only grow stronger as this evolution takes place, building a truly symbiotic partnership.



**DHIRAJ RELLI**  
MD & CEO, HDFC securities

However, before I get into the excitement of how we are positioning ourselves, we must revisit our last financial year and expand on what it means for us as an organisation. **We earned a PAT of ₹777.22 crore in FY23. This was a year of consolidation for the industry and HSL after two years of high growth and an increased base. When the world is grappling with recessionary fears, high inflation and high-interest rates, we are building capacity and products to manage future scale. We are happy to share that our net worth has increased to ₹1,797 crore. Our Earning Per Share (EPS) is ₹490. We have declared a total dividend (including all interim dividends) of ₹440 per share in FY23.**

The investment space is and will continue to be competitive – but we are well prepared to ensure brand loyalty and advocacy, creating an agile framework of technology while being fully compliant with regulatory guidelines. We have invested in cutting-edge technology and user-friendly platforms. By leveraging artificial intelligence and machine learning algorithms, we have developed intuitive interfaces that allow customers to place trades effortlessly and gain real-time insights into market trends. Our new mobile application, InvestRight provide a seamless and responsive experience, enabling investors to access their portfolios and execute trades

on the go. By leveraging data analytics and customer feedback, we have gained a granular understanding of their needs and pain points. This has empowered us to offer tailored services, personalized support, and proactive assistance to our valued customers, reinforcing our commitment to building long-term associations.

We recognize the potential of technological disruption and its impact on our industry. Embracing this reality, we are actively exploring opportunities in emerging technologies such as blockchain, decentralized finance, Generative AI and robo-advisory. We are all guarding up to stay ahead of the curve and leveraging these transformative technologies and positioning ourselves at the forefront of innovation to redefine the broking experience for our customers.

As we embark on the next phase of our journey, we remain committed to adapting, innovating, and creating value for our customers and shareholders.

Here are the following areas where we are spending our disproportionate time and energy to ensure customer relatability with our brand and discover a pride to be associated with us.





### Localization and regional expertise

India is a diverse country with distinct regional markets and investment preferences. Through our extensive branch network, we are keeping a very close watch on the investment behaviour, preferences, and regulatory nuances of specific regions. We are always being watchful towards local needs and offer regional expertise, which can attract investors seeking localized insights and opportunities.



### Integration of robo-advisory and human expertise

We are actively exploring technology-driven robo-advisory services with human expertise to provide a hybrid investment approach. Though at a nascent stage, we are finding out avenues where we can come up with an amalgamation of robo-advisory and the wave of Artificial Intelligence to offer our customers a truly state-of-the-art investing experience – covering aspects of automated portfolio management, asset allocation, and risk assessment, while also providing access to human advisors for personalized guidance and support.



### Investor education and financial literacy

Empowering investors through comprehensive educational resources, workshops, webinars, and tutorials on financial literacy and investment strategies will always be a part of our core offering to customers. By focusing on investor education, our focus would be to cement a position as a trusted source of knowledge and expertise – attracting investors who value continuous learning and empowerment.



### Advanced analytics and market insights

Leverage advanced data analytics and machine learning algorithms to provide real-time market insights, trend analysis, and predictive modelling. We will be aggressively looking to innovative tools and dashboards that empower investors to make informed investment decisions based on data-driven insights – thereby helping investors who value data-backed investment strategies.



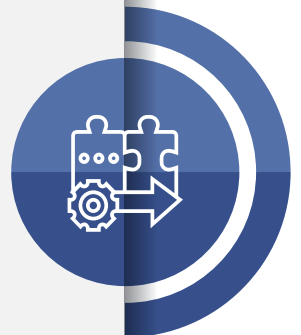
## Enhanced Portfolio Management

Manage portfolios based on investors' risk appetite, investment goals, and preferences. Utilize advanced portfolio management techniques and asset allocation strategies to deliver tailored investment solutions



## Seamless integration

We aspire to be one powerful financial platform with deep integrations with other financial service providers such as banks, insurance companies, or lending platforms. This will allow our investors to seamlessly access a comprehensive suite of financial services, providing convenience and added value.



## Continuous innovation and adaptation

Staying at the forefront of technological advancements and market trends, continuously investing in research and development for platform enhancements, introducing new features and adapting to evolving customer needs- would be our mantra for growth and value addition for our customers who deserve to be treated with the best.



By staying true to our vision of delivering a seamless and intuitive trading experience, understanding the minds of our customers, optimizing interaction points, and fostering a robust digital broking ecosystem, we are poised for sustained growth. I am deliberately curbing my enthusiasm for raising the curtains on our new fintech platform, HDFC Sky, as we have planned for a big reveal for all customers shortly. However, we are fairly certain that it would be a new benchmark from the house of HDFC securities.

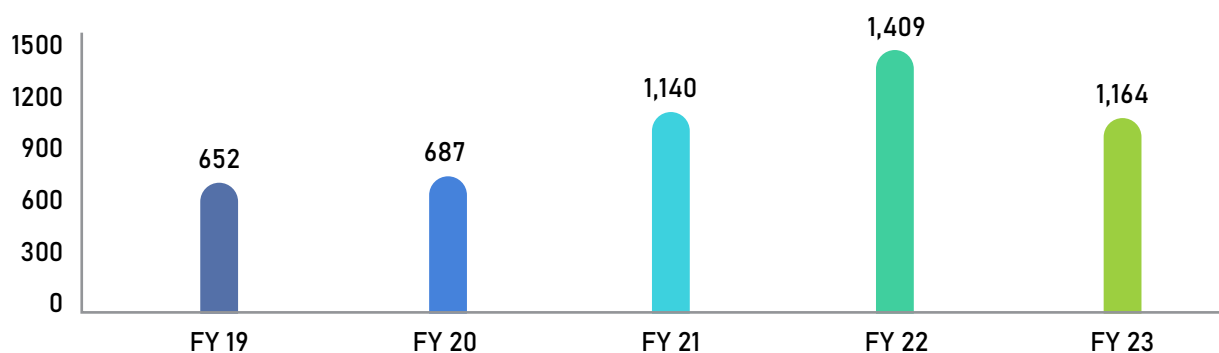
I express my heartfelt gratitude for your unwavering support, trust, and belief in our shared mission. Together, let us seize the opportunities that lie ahead, overcome challenges, and build a brighter future for our organization and the investors we serve.

Best Regards,

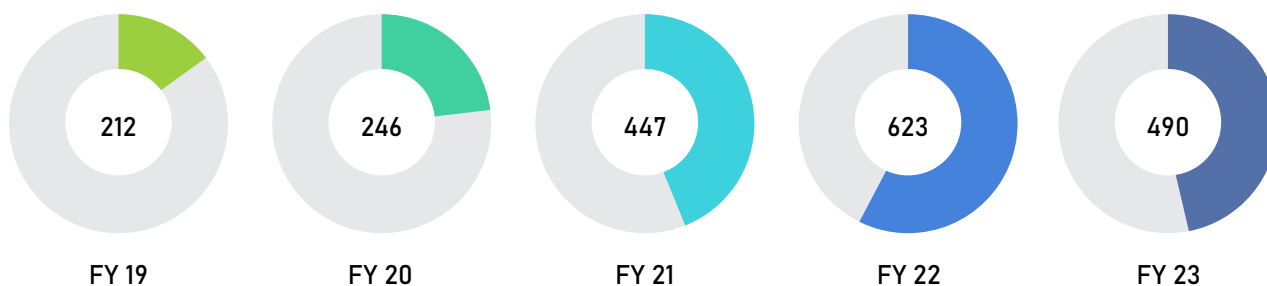
**Dhiraj Relli**  
MD & CEO, HDFC securities

# KEY METRICS : 2022-23

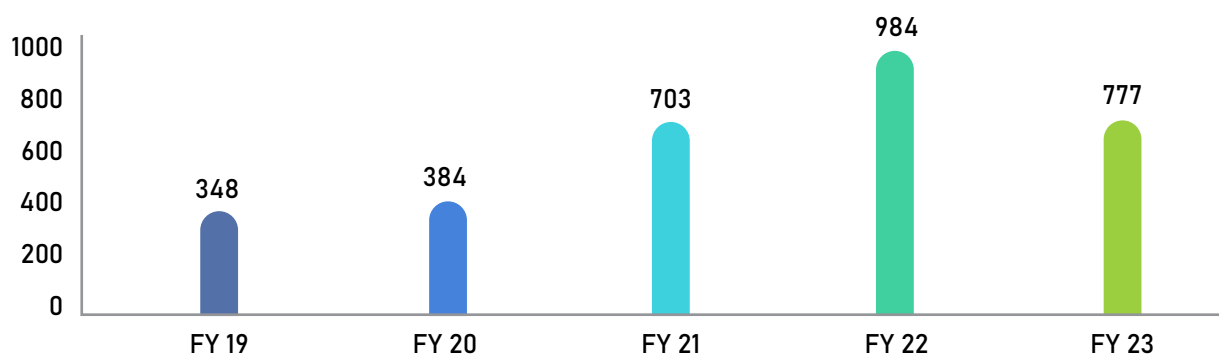
### Brokerage and Fee Income (₹ in Cr.)



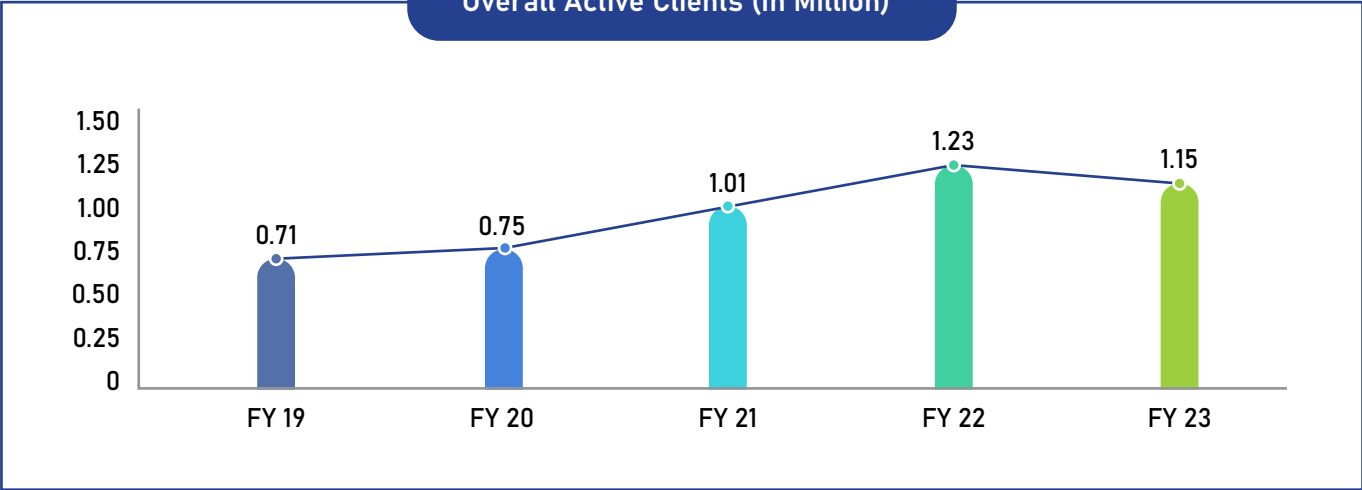
### Earnings per share (In ₹)



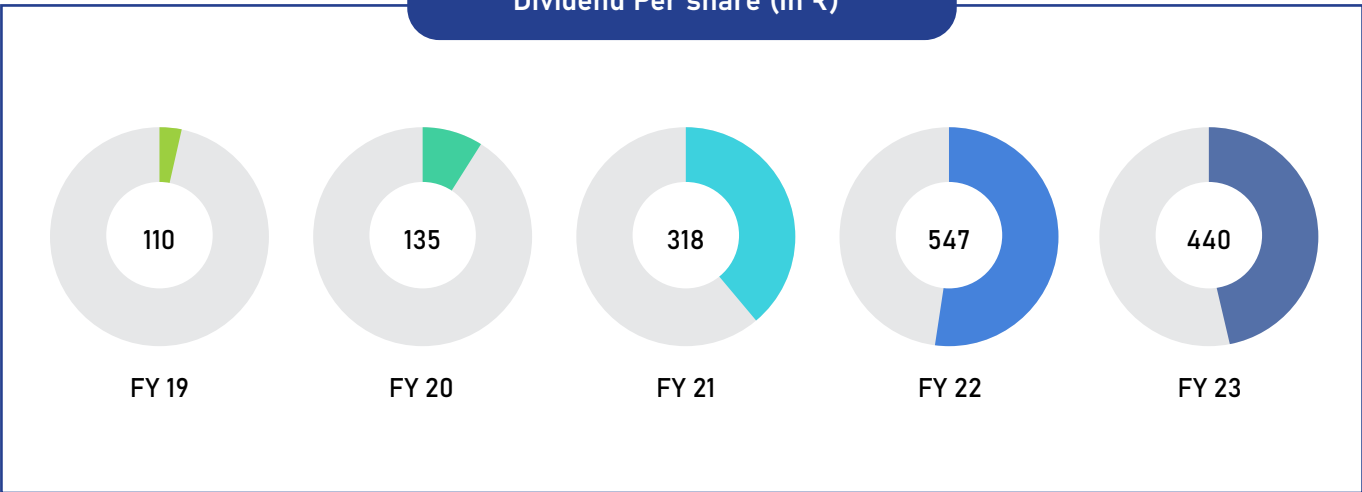
### Profit after Tax (₹ in Cr.)



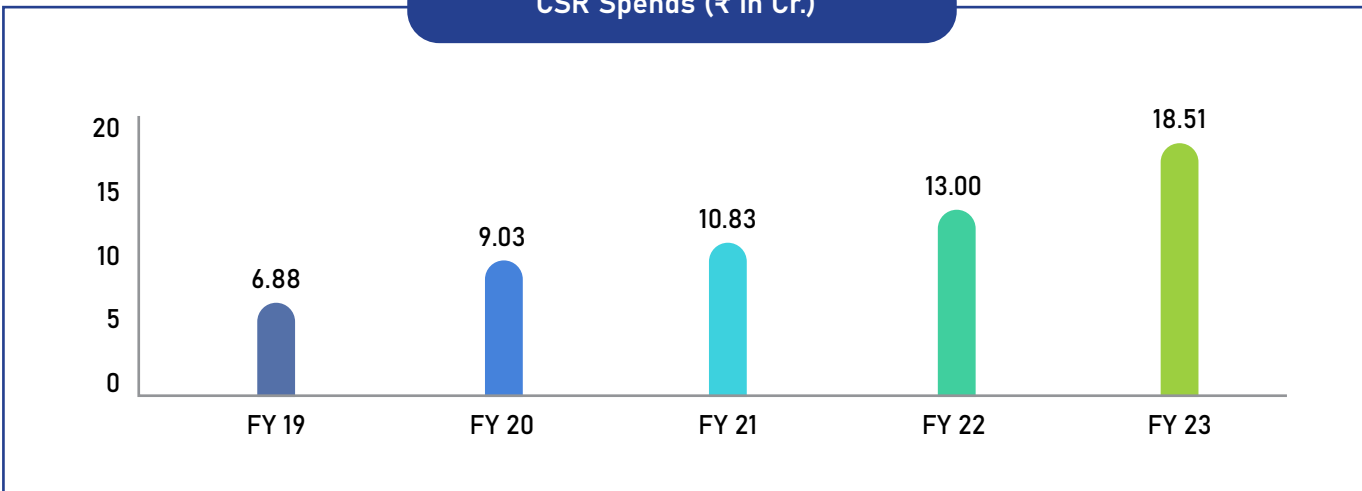
Overall Active Clients (In Million)



Dividend Per share (In ₹)



CSR Spends (₹ in Cr.)



# FY 22-23 BUSINESS HIGHLIGHTS

## 92%



of **1.1+ Million** active customers transact seamlessly on our digital platforms.

## 26%



of the total workforce as of the end of FY 2023 has been working with the company for 5 or more years.

The company saw more than

## 1.1+ Million (11.47 Lakh)



actively transacting customers in the FY 2022-23.

HDFC securities generated

## ₹413.72 Cr



## 52%

of the total brokerage income is registered through mobile transactions.



HDFC securities now caters its wide range of financial products to a

## 117%

larger crowd.

The company has a widespread distribution network with

## 209+ Branches



extended across **147 Cities** with **11 Digital Centers** in India.



More than

**89%**



of the customers are onboarded through digital platforms.

Revenue per employee -

**₹66.68 Lakh**



**85%**



of HDFC securities Total Brokerage originates from digital sources.

For FY 2022-23 **Total IPOs**

**38** Total Applications  
**61.11 Lakh** Volume



**₹21 Cr** Market leader in IPO collections with average **21%** share.



**MF AUM** has grown **17%** Vs Industry AUM growth of 7%. This has been an outcome on increased focus on SIP book and new client participation

The average book size for the year under **Margin Trade Funding (MTF)**

stood at

**₹3,232 Cr**, higher by 8%



compared to previous financial year's ₹2,992 Cr. The book size as of 31st March 2023 is positioned at **₹2,752 Cr.**

**3<sup>rd</sup>**



largest mobilizer for Life Insurance in Broca channel with premium of **~₹300Cr**



**1200+** RMs

# InvestRight™

The all-new InvestRight app puts many assets at the fingertips of traders and investors. They can build and manage their multi-asset class portfolio with the greatest ease. They can make UPI payments to fund their accounts and begin trading within seconds.

The app provides all the support investors would need to make faster and smarter decisions. Real-time events being updated in the watchlist facilitates much faster decision-making. Peer comparison analysis, information on the activities of institutional investors, and recommendations on stocks, derivatives, and mutual funds schemes are just a swipe away. InvestRight has over two hundred plus live screeners for trading ideas and unique chart-based trading signals for technical analysis-based trading strategies. Such advanced features enable investors and traders to discover more attractive market opportunities to stay on top of market movements and meet their financial goals with greater convenience.

## Empower with Speed, Versatility, Value and Ease of Use



# INSTITUTIONAL EQUITIES – OUR ANNUAL TAKE

We have gained market share, which has mitigated the corrosive effect of the shrinkage in the overall addressable wallet. From a long-term perspective, we have used this time to expand the universe of stocks under our coverage, they now stand in excess of 225.



We are in the top brackets of 'Gold' and 'Platinum' category clients on the street.

Emblematic of our effort in the primary markets was the mobilisation and listing of the IPO of Aether Industries. This took place, despite the fact that FY23 year was a fairly challenging year on the IPO side.

The macro-environment for the industry remains challenging. Despite the hope that the US Fed will peak out in terms of interest rate hikes, the same has not seen a conclusion as yet. The looming threat of a First World recession still persists, and a few of the developed countries have shown signs of a slowdown, if not an outright recession. Also, on the anvil are potential regulatory changes, which can impact the unit economics of the institutional business. At the same time, houses with a strong knowledge base and high integrity have an opportunity to emerge stronger. .

**Our 27 member research team** remains the key differentiator and strength with highly experienced sector analyst (15 years+)



During the year, our research team has focused on sector thematics, adding new sectors to our coverage and building further on our strategy product. Against the trend of a high turnover, which has been witnessed in the post COVID scenario, our team has remained stable, and committed.

Today, as compared to this day last year, we have added nearly 15% more to the number of clients we do business with. As a measure of our recognised value-add to our clients, our vote share with top tier clients has decidedly inched up :

We believe these challenging times are ideal settings for investing in the business, ahead of the curve, and building a business which is well-positioned to benefit in the next up-cycle.

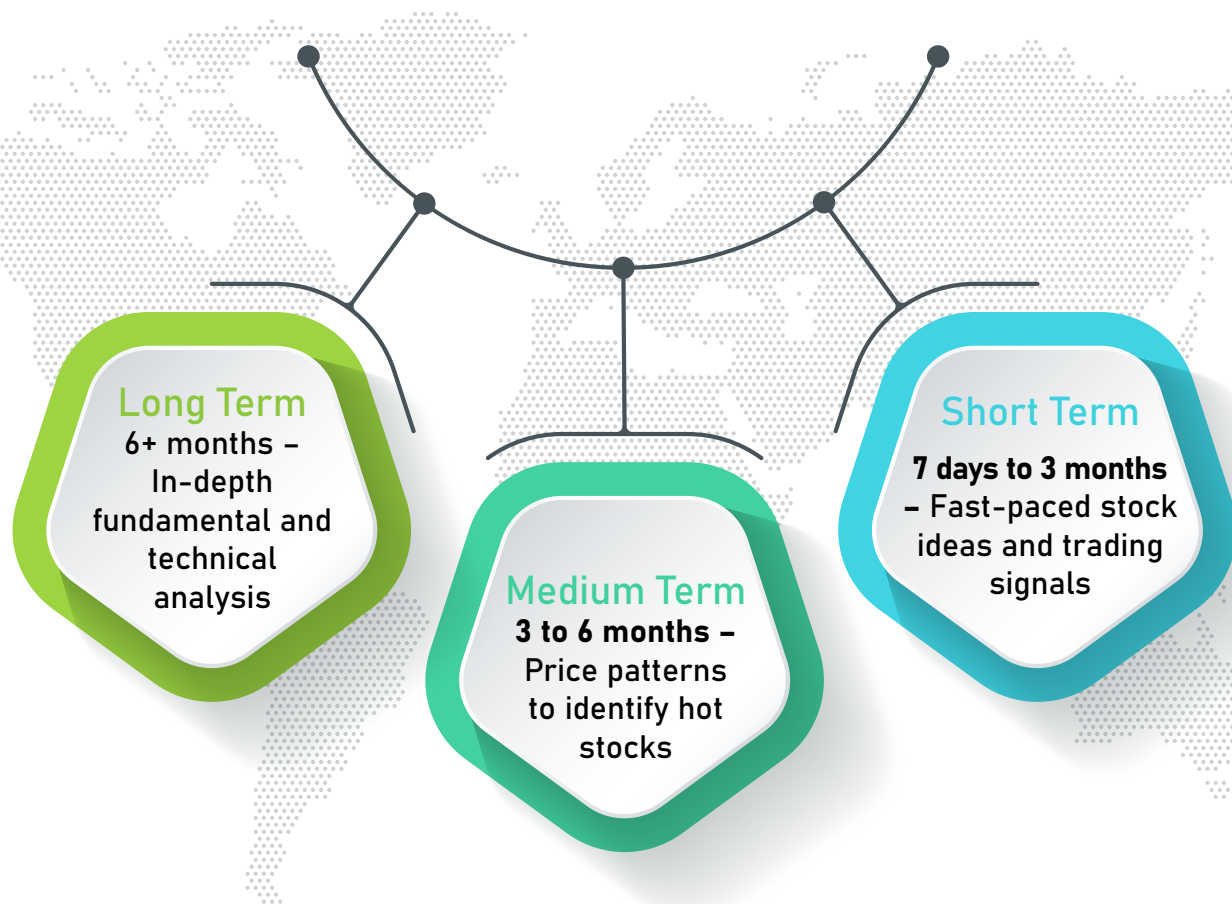


# EMPOWERING INVESTORS/ TRADERS WITH RETAIL RESEARCH

Retail traders have emerged as the biggest players and influencers in India's financial markets. Their share in the capital market segment of NSE in FY23 was 36.5% vs 40.7% in the previous year and the share in the equity derivative segment of NSE in FY23 was 27.7% vs 28% in the previous year. 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 millennials and Gen Z are tech-savvy and digital natives. Investors are also intrigued by the idea of accumulating money over time by periodically having access to basic research recommendations. To help retail traders make wise decisions quickly, HDFC securities combines its years of extensive market experience with detailed retail research reports.

## 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

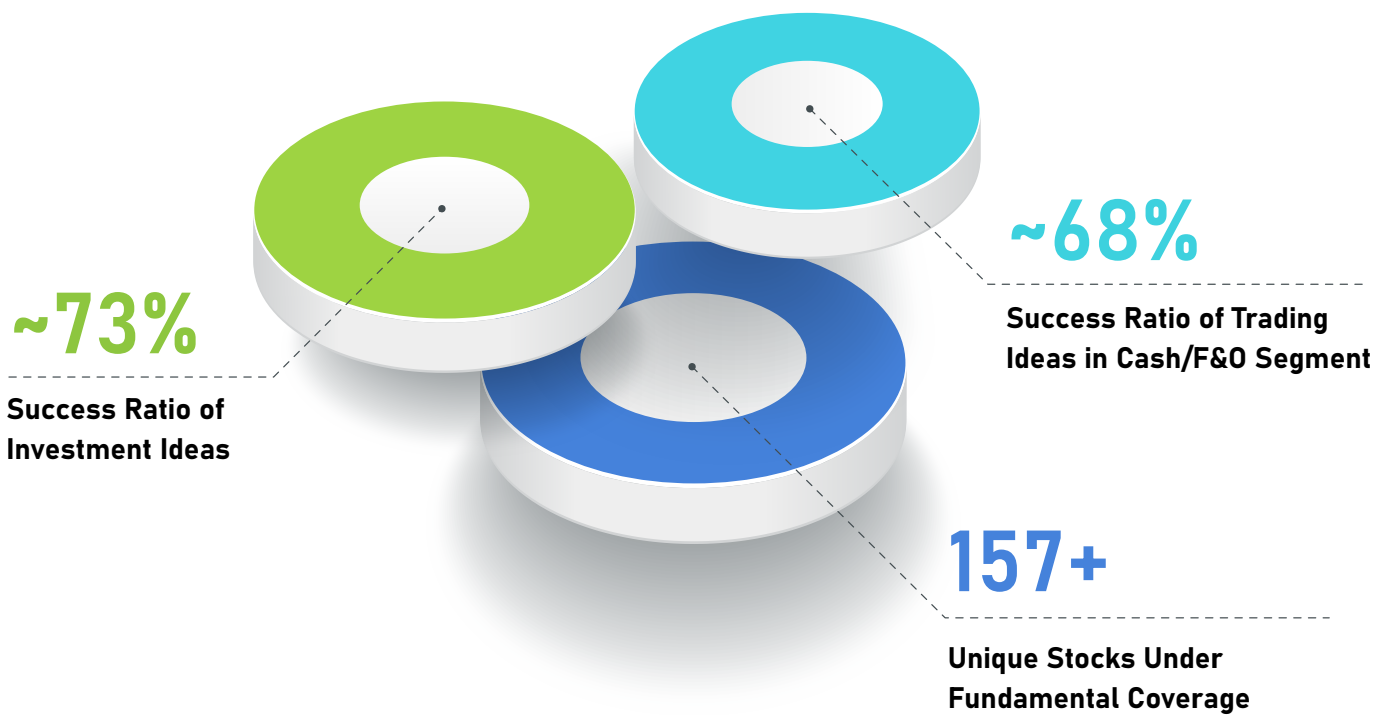


**Stock Picks/ Update**  
Keep abreast of market movers—insights on corporate result announcements, including analysis and comments from our research team



**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



# TEAMWORK MAKES THE DREAM WORK - B2B CHANNEL



## Onboarding Partners

- Growth in partner network
- Collaborative partnerships

## Acquiring New Clients

- Expansion of client base
- Increased market presence



## AP Model

- Introduction of AP (Authorized Person) model
- Empowering partners with enhanced capabilities
- Streamlined operations and customer experiences

## Paperless onboarding journey

- Implementation of paperless onboarding
- Efficient and sustainable practices
- Reduced environmental impact



## Partner Portal

- Launch of Partner Portal
- Enhanced reports and dashboard
- Access to critical information and performance monitoring

# THIRD PARTY PRODUCT - BRAGGING RIGHTS FOR FY 22-23

3<sup>rd</sup>



Largest  
**Life Insurance  
Mobilizer**

Across ₹~300 cr  
premium - Broca  
channel

6<sup>th</sup>



Largest  
**SIP  
Distributor**

SIPs doubled from  
3.4L to 6.8L

7<sup>th</sup>



Largest  
**IPO  
Distributor**

Maintained  
leadership with 21%  
market share



One of the top SGB distributors on BSE exchange



MF AUM has grown 17% vs Industry average of 7%

# WE ARE WHERE OUR CUSTOMERS ARE CELEBRATING 1+ MN FOLLOWERS ACROSS SOCIAL MEDIA

163K

152K

573K

92.7K

117K



Note: Numbers as on March 2023

# OUR SOCIAL MEDIA OFFERINGS

## Research Reports

- Weekly Technical Report
- Weekly Mutual Fund and Debt Report
- Sector Thematic

## Podcasts

- TGIW - Weekly Market Podcast
- Market Savera (Daily market view)
- Currency Insights
- Weekly Outlook on Gold
- Mid-Market Mania

## Earning Season Updates

- Earning Review Video
- Earning Calendar
- Earning Highlight
- Sector Outlook

## Webinars

- Finance
- Investing
- DIY on HSL Platforms
- Market News & Impact

## Viewpoint

- Market Story
- Educative Videos
- Engaging Campaigns

## Thought Leadership

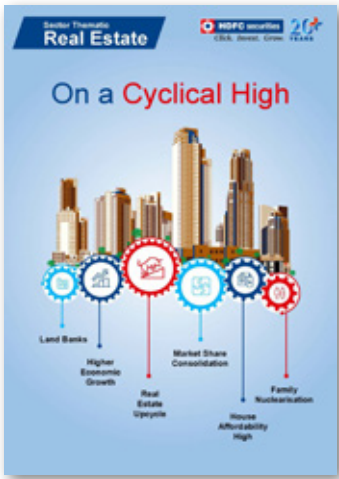
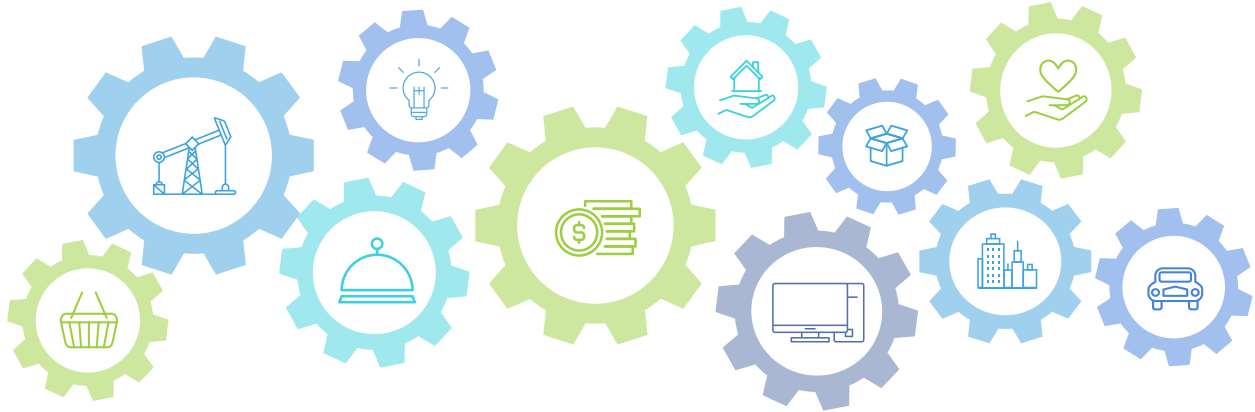
- Authored Articles Publish on Print/Online
- Interviews in Leading News Paper and Portals
- Blogs

# 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.



Scan the QR codes to read the reports



Scan the QR codes to read the reports

# HUMBLE DEEDS FOSTERING COMMUNITY GROWTH

HDFC securities is committed to making a positive impact in sectors such as Education and, Healthcare and Environment, Eradication of Poverty. The Company, as a responsible Corporate Citizen, contributes to nation building through its CSR projects/ programmes, in true letter and spirit.

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. Every employee is encouraged to volunteer and contribute towards various social causes to make positive impact on the Society.

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, from time to time.



Student of Jammu at Hostel  
build by Borderless Foundation





MD as Chief Guest at Nana Palkar Smruti Samiti on Doctors Day celebration



HSL representative at Isha Education Annual Function organised by Isha Education School at Ikkai Bolluvampatti, Tamil Nadu



Skill Development Program at ISC



HSL donated Vehicle to Akshaya Patra Foundation



HSL Employee participated at CSR activities organised by Akshaya Patra



# AWARDS & ACCOLADES

## Great India BFSI Awards 2023



Best Marketing Communication of the Year for #HDFCsecMythBusters



Social Media Campaign of the Year for #MarketMasala



Content Marketing Award for #IPL2022



Best Brand of the Year



Mobile App Award for #InvestRight™

## Quantic 2nd Annual Technology Excellence Awards 2023



Best Mobile App Initiative - BFSI #InvestRight™

## ACEF Global Customer Engagement Awards 2023



Silver for Best Customer Care Service Innovation



Silver for Automated Flow for HSL New Customer Onboarding Journey

**Gain Skills Media BFSI INNOVATION Confex & Awards 2023**



**BFSI INNOVATION Confex & Awards 2023**



**Best Innovation of the Year #InvestRight™**

**NaME Awards 2023**



**Best Marketing Campaign by//for a Financial Services Enterprise - Digital #Lets ETF**



**Best Digital Integrated Marketing - B2C #FaydeKeFeatures**

**Reputation Today 30 Top Corporate Communication Teams 2023**



**30 Top Corporate Communication Teams**



**Best Business/Financial Video Content on Social Platform(s) / Best Educational Video Content on Social Platform(s) #LetsETF**



**Best Use of Customer Insights & Feedback in Financial Services #Lets ETF**

**ETBrandEquity Trendies Awards 2023**



**Industry Award BFSI (Social Media)**

**Silver Touch Awards 2022**



**Marketing Campaign of the Year (BFSI) #Fayde Ke Features**



**Best Content Marketing to Build Brand Awareness #Lets ETF**

**Many More...**

- Ad World Showdown 2022**
- Best Digital Media Integrated Campaign - Growth Marketing
  - Stock Broking Company of the Year
  - Best CISO - Stock Broking Company - Parshuram

- Digital Transformation Awards 2022**
- Best Digital Brand Strategy
  - Best Digital Integrated Marketing Campaign
  - Social Media Strategy of the Year

- Mcube Awards 2022 by InksPELL Media**
- Best Performance-driven Digital Campaign - Growth Marketing

# SENIOR MANAGEMENT TEAM



**Dhiraj Relli**  
MD & CEO



**Sandeep Bhardwaj**  
Chief Operating & Digital Officer



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



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



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



**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



**Varun Lohchab**

Head - Institutional Research



**Unmesh Sharma**

Head - Institutional Equities



**Deepak Jasani**

Head - Retail Research



**S Sambath Kumar**

Head - Third Party Products, Alliances and Cross Sell



**Pranab Uniyal**

Head - Investment Advisory Products



**Navanil Sengupta**

Chief Marketing Officer



**Alok Chaturvedi**

Head of Products



**Vaman Shenoy**

Head - Internal Audit

# PROFILE OF BOARD MEMBERS



**Mr. Neeraj Swaroop**

Mr. 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, an Operating Partner at Kedaara Capital, a Director on the Board of Spandana Sphoorty Financial Limited and an Independent Director of SBFC Finance Pvt. Ltd & Avanse Capital Limited. 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.



**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. Samir Bhatia is an Indian entrepreneur. 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. Malay 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 also served as an independent Director of HDFC Bank Limited till March 31, 2023.



**Mr. Tarun Balram**

Mr. 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 Master in Business Economics and Business Management, respectively.



**Mr. Arvind Vohra**

Mr. Arvind Vohra is Country Head - Retail branch banking and Trade & Forex at HDFC Bank. In a career spanning over two and a half decades, Mr. Vohra has worked with consumer centric categories across Banking, Telecommunications and Consumer sectors. Mr. Vohra leads retail branch banking business, trade and forex business encompassing retail liabilities franchise, retail and business assets origination, focusing on key priorities of customer acquisition, holistic customer life cycle management, analytics driven insightful customer conversations and customer experience excellence through consumer journeys simplification and digitization. Prior to joining the bank in 2018, Mr. Vohra, has served in Vodafone, Philips, Standard Chartered Bank in business leadership positions leading large teams and scaling businesses. An engineer by education, Mr. Vohra completed MBA from Xavier Institute of Management, Bhubaneswar in 1995, and senior leadership programme from London Business School in 2015.



**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, Operation Functions and ISG. He is a Chartered Accountant by profession and graduated from Narsee Monjee College of Commerce and Economics. He has more than 19 years of rich experience in Capital Market Operations, Risk Management, and Compliance Functions.



# FINANCIAL REVIEW 2022-2023



# DIRECTOR'S REPORT

## TO THE MEMBERS

Your Directors are pleased to present the 23rd Annual Report on the business and operations of the Company together with audited accounts for the year ended 31st March 2023.

## FINANCIAL RESULTS AS PER IND AS

(₹ in Crore)

	Year ended 31-3-2023	Year ended 31-3-2022
<b>Total Income</b>	<b>1891.6</b>	<b>1,990.3</b>
Total Expenses (excluding Depreciation)	792.3	627.7
<b>Profit before depreciation</b>	<b>1099.3</b>	<b>1,362.6</b>
Depreciation and Amortisation	57.4	42.3
<b>Profit before tax</b>	<b>1041.9</b>	<b>1,320.3</b>
Provision for Tax	264.7	336.0
<b>Profit after tax</b>	<b>777.2</b>	<b>984.3</b>
Balance brought forward	1434.6	1,314.9
<b>Amount available for appropriation</b>	<b>2211.8</b>	<b>2,299.2</b>
Dividend (Interim and Final)	697.9	864.6
Tax including surcharge and education cess on dividend	-	-
<b>Balance carried over to Balance Sheet</b>	<b>1513.9</b>	<b>1,434.6</b>

## OPERATIONS

During the year under review, the Company's total income amounted to ₹1891.6 crore as against ₹1,990.3 crore in the previous year, a fall of 5%. The operations have resulted in a net profit after tax of ₹777.2 crore as against ₹984.3 crore in the previous year, a fall of 21%. 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 209 branches across 147 cities in the country as on 31st March, 2023 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:

Growth in India's factory output recovered to a two-month high of 5.2% in January, from 4.7% in December, on the back of a lower base and double-digit growth in the electricity output. The growth in electricity output accelerated to 12.7%, whereas manufacturing also recovered to 3.7%. The expansion in mining output, however, decelerated to 8.8% from 9.8% last month.

India's output of eight core industries registered a 7.8 per cent growth in January 2023, against 4.0 per cent growth in January 2022. The output had seen an increase of 7.4 per cent in December 2022, a three-month high. The production of fertilizers, coal, electricity, steel, natural gas, cement and refinery products increased in January 2023 over the corresponding month of last year.

India's GDP was expected to grow at 7 per cent for FY23, according to the second advance estimate released by the MoSPI. The NSO revised upward the GDP growth for 2021-22 to 9.1% from the 8.7% estimated earlier. GDP growth decelerated to 4.4% in Q3FY23, mainly due to a contraction in the manufacturing sector. It stood at 11.2% in October-December 2021 and 6.3% in July-September 2022. In its most recent monetary policy, the RBI forecast real GDP growth at 6.4%, with Q1 growth at 7.8%, Q2 at 6.2%, Q3 at 6%, Q4 growth at 5.8%, and risks largely balanced.

The stronger prospects for agricultural and allied activities (despite the El Nino-related fears) are likely to boost rural demand. The rebound in contact-intensive sectors and discretionary spending is expected to support urban consumption. Strong credit growth, resilient financial markets, and the government's continued thrust on capital spending and infrastructure have created a congenial environment for investment. On the other hand, external demand is likely to be dented by a slowdown in global activity, with adverse implications for exports.

Domestic demand has been sustained by strong discretionary spending. Urban demand exhibited resilience as reflected in healthy passenger vehicle sales and domestic air passenger traffic. Rural demand is improving. Investment activity is gradually gaining ground.

#### **Inflation:**

India's retail inflation inched lower to 6.44 per cent in February, from 6.52 per cent in January, despite remaining above the upper band of the 4 +/- 2 per cent medium-term target of the Reserve Bank of India (RBI) for the second consecutive month. Core inflation continued to remain above the 6 per cent mark for the fourth consecutive month, prompting expectations of another rate hike of 25 basis points by the RBI in its upcoming policy review in April.

On the assumption of a normal monsoon, CPI inflation is projected at 5.3 per cent for 2023-24, with Q1 at 5.0 per cent, Q2 at 5.4 per cent, Q3 at 5.4 per cent and Q4 at 5.6 per cent, and risks evenly balanced. Commodity prices are expected to face upward pressures with the easing of COVID-related mobility restrictions in some parts of the world. The ongoing pass-through of input costs to output prices, especially in services, could continue to exert pressures on core inflation.

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

India's gross direct tax collections for the financial year 2022-23 have increased 22.58 per cent to over ₹16.68 lakh crore till 10 March. After adjusting for refunds, the net direct tax collection stands at ₹13.73 lakh crore, which is 16.78 per cent higher than the net collections for the corresponding period of last year. The net collection is 96.67 per cent of the total budget estimates and 83.19 per cent of the total revised estimates of direct taxes for the current financial year. According to the latest statements of fiscal policy presented as a component of Union Budget 2023-24 documents, the Tax-GDP ratio has improved from 10.7 per cent in BE 2022-23 to 11.1 per cent in RE 2022-23 and BE 2023-24.

The gross GST revenue collected in February 2023 stood at ₹1.5 lakh crore, 12% higher than the GST collection in the same month last year. GST collections have remained above ₹1.4 lakh crore for 12 consecutive months, due to increased audits and assessments. February 2023 witnessed the highest cess collection of ₹11,931 crore since the implementation of GST.

India's merchandise imports fell to an 18-month low in February, contracting for the third consecutive month as the government ramped up efforts to curb non-essential imports, and even as exports shrank for a third time in five months amid slowing global demand. Merchandise exports contracted 8.8 per cent to \$33.88 billion in February, while imports fell 8.2 per cent to \$51.31 billion, leading to a trade deficit of \$17.43 billion. Exports grew 7.6 per cent year-on-year to \$405.9 billion during April-February, while imports grew by 18.8 per cent at \$653.5 billion during this period, leading to a trade deficit of \$247.5 billion.

The overall FDI inflows into India fell by 9 per cent to ₹2.91-lakh crores during April-December 2022 as interest rate hikes by major central banks and recessionary

fears in many parts of the world dampened the investor sentiment. The computer software and hardware sector attracted the highest inflows of ₹63,819 crores in the first nine months of the current fiscal, although in value terms, it was down by 16 per cent as compared to the same period of the previous fiscal. Inflows into the service sector grew by 31 per cent to ₹52,189 crore (₹39,797 crore) during April-December 2022. FDI flows to the automobile sector saw the steepest decline of 77 per cent year on year to ₹10,015 crores.

## Capital markets

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

Q3FY23 earnings season saw overall in-line performances, with wide divergences across sectors and companies. Subdued demand, weak rural consumption and poor performance of metal and energy companies hindered the overall outcome. The quarterly numbers for Q3 had little to cheer about. The impact of unfavourable global economic and financial conditions is clearly visible in the performance of sectors having exposure to global demand. Sectors that did well in Q3 gained mostly from the strength in domestic demand impulses. However, in this case, there was divergence with sectors catering to the urban population doing relatively better compared to others.

FM Sitharaman's latest Budget is the last full Budget by the NDA government was not populist as some feared, but continued on the path of fiscal prudence with minimal changes in tax proposals reflecting the government's thrust on stability in the tax regime. Attempts to consolidate the fiscal situation and push growth are visible. It focussed on long-term infrastructure and asset creation, and personal investing based on the merits of the instrument rather than on tax incentives.

Going ahead, the signs of recovery in rural demand, improving consumer sentiment and expectation of moderation in consumer inflation could have positive implications for sectors such as FMCG, retailing and white goods. Sectors in the infrastructure space could gain from the government's focus on accelerating the pace of capital creation in the economy. However, the outlook for sectors such as textile, chemicals, and iron

& steel remains uncertain amid the global recessionary concerns. Moreover, in the coming quarters, there is likely to be some waning of domestic pent-up demand seen in many of the sectors. The possibility of El Niño, which occurs every three to six years, could derail the recovery in the rural FMCG (fast-moving consumer goods) market.

After giving solid returns in FY22, the returns from equity markets wavered in FY23. YTD till March 24, the index is down by 1.8% as market sentiment was marred by sticky US inflation, higher rates, hawkish policy stance by the US Fed and domestic factors such as continued rate hikes by RBI and volatile moves in Adani group stocks post Hindenburg row. Considering India's nominal FY23 GDP at ₹273 trillion, India's total market cap to GDP is now trading at 92%. At FY24 projected nominal GDP levels, Mcap/GDP ratio translated into 84% (fairly valued). In FY22, this ratio stood at 112%.

The number of Demat accounts rose to 11 crores in January, a surge of 31 per cent on a yearly basis, amid higher participation from investors, the possibility of attractive returns from the equity markets, ease of account opening process and increased financial savings. Also, the incremental additions of such accounts were higher in January than in the preceding four months. However, it was still below the financial year 2021-22 (FY22) average monthly run-rate of 29 lakhs.

Daily cash trading volumes on stock exchanges fell by more than 20% to ₹57,700 crores in FY23. This is the biggest drop in 11 years, as stock market volatility weighed heavily on investors. Meanwhile, trading volumes in derivatives have held near record highs every month since last year. The average daily turnover of the derivatives sector in FY23 was ₹150.67 lakh crore, up 120% from ₹68.35 lakh crore in FY22.

MFs pumped a net ₹1.53 trillion into equities till 1 March 2023, the SEBI data shows, as compared to ₹1.72 trillion in FY22. Foreign portfolio investors (FPIs), on the other hand, have recorded a net outflow of ₹36,538 crore in the equity segment so far in FY23. This comes after a dismal FY22, when they pulled out ₹1.42 trillion from the Indian equity market.

The Nifty Smallcap 50 fell by 13.3%, lagging the benchmark index, while the Nifty Midcap 50 increased by 3.3% year on year. The performance of sectoral indexes has also been inconsistent, with PSU Bank (+36%), FMCG (+25%), and Auto (+16%) rising and Media (-27%), IT (-22%), Realty (-15%), Metal (-15%), and Pharma (-14%) falling sharply. In comparison to the same period last year, the rupee has fallen 8.4% versus the dollar for the FYTD.

Sharp selling pressure for currencies deemed unstable and risky resulted from worries about the stability of banks around the world. An unbalanced current account, large capital outflows, and relatively mild interest rate increases by the RBI all put pressure on the rupee. The US annual inflation rate decreased to 6% in February 2023 from 6.4% in January, which was the lowest level since September 2021. Despite the fact that supply constraints have eased and energy prices have decreased since the middle of last year, inflation is still much higher than the Federal Open Market Committee's (FOMC) target rate of 2 per cent.

The Federal Open Market Committee (FOMC) has increased the federal funds rate target range in response to strong inflation by an additional 3 percentage points since June, bringing the range to 4-1/2 to 4-3/4 per cent. The FOMC has also stated that it believes that further increases in the target range will be appropriate. After temporarily crossing the 4% threshold in March, the yield on a 10-year US Treasury bond dropped below 3.5% as investors processed the Federal Reserve's dovish comments and the modestly anticipated 25 bps increase in its funds rate.

The health of systemic banks was under threat this month due to bank failures, so the Fed signalled that it was about to pause its tightening drive to address the most recent threats to financial stability. In India, high-frequency economic indicators have steadily improved from the pandemic lows. However, the country is still a long way from making up for the Covid output loss. The consumer mood index indicates that the recovery will continue, while supply chain pressures have subsided and are now favourable to expansion. However, the

Indian stock markets are currently concerned about high inflation, high worldwide rates (which may not have peaked yet), geopolitical difficulties, and the El Nino threat.

Following Q3FY23 results, Nifty's FY23 and FY24 EPS estimates are basically unchanged at ₹820 and ₹990, respectively. This is because downgrades in the metals and oil and gas sectors are partially offset by upgrades in the automobile and private banking sectors. Despite double-digit sales growth continuing, the rate of growth significantly slowed down. Despite the festive and holiday season's anticipated rise in demand during Q3, net sales were almost flat from the prior quarter. Although easing input costs provided some respite, they were only partially offset by rising interest and staff costs.

## 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 website of the company at <https://www.hdfcsec.com>.

## DETAILS OF HOLDING/SUBSIDIARY/ ASSOCIATES COMPANY

The company is a subsidiary company of HDFC Bank Limited. It does not have any subsidiary or associate company as of 31 March 2023.

## BOARD MEETINGS

During the year, under review, 10 (ten) Board meetings were held. The meetings were held on 13 April 2022, 16 June 2022, 15 July 2022, 24 August 2022, 13 October 2022, 6 December 2022, 29 December 2022, 12 January 2023, 14 March 2023 and 28 March 2023.

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 (₹)
Mr. Neeraj Swaroop*	9	9	13,00,000
Mr. Samir Bhatia	10	10	18,75,000
Dr. (Mrs.) Amla Samanta	10	10	15,75,000
Mr. Malay Patel	10	10	17,50,000
Mr. Tarun Balram**	9	9	11,50,000
Mr. Arvind Vohra***	3	3	NIL
Mr. Dhiraj Relli	10	10	NIL
Mr. Ashish Rathi	10	10	NIL

\*Mr. Neeraj Swaroop was appointed as Director w.e.f June 8, 2022

\*\* Mr. Tarun Balram was appointed as Director w.e.f June 8, 2022

\*\*\* Mr. Arvind Vohra was appointed as Director w.e.f January 9, 2023

## 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 8 (Eight) Directors as on 31st March, 2023. All the Directors other than Mr. Dhiraj Relli and Mr. Ashish Rathi are Non-Executive Directors as on the date of this report. The Company has 5 (five) Independent Directors including 1(one) Women director, 1 (One) Nominee Director and 2 (Two) Non-Independent Directors as on the date of this report.

Mr. Arvind Vohra, Nominee Director, Mr. Dhiraj Relli, Managing Director, Mr. Ashish Rathi, Whole Time Director are the Non-Independent Directors on the Board.

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

Mr. Neeraj Swaroop was appointed as the Chairman of the Company at the Board Meeting held on 14th April 2023 subject to approval of shareholder at the ensuing general meeting.

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 2023 are as follows:

### Audit Committee:

The members of the Audit Committee are Mr. Samir Bhatia, Dr. (Mrs.) Amla Samanta, Mr. Neeraj Swaroop 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 13th April 2022, 15th July 2022, 13th October 2022 and 12th January 2023.

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

- Recommending appointment, remuneration and terms of appointment of auditors of the Company;
- 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 the identification and recommending the appointment of Directors, Key Managerial Personnel and Senior Management Personnel. The 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 a 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, Mr. Tarun Balram and Mr. Malay Patel. The Committee is chaired by Dr. (Mrs.) Amla Samanta.

The Committee met five times during the year. The meetings of the Committee were held on 13th April 2022, 16th June 2022, 13th October 2022, 29th December 2022, and 14th March 2023.

**CAPEX Committee:**

The Company has constituted CAPEX Committee. The CAPEX Committee considers and recommend 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, Mr. Neeraj Swaroop and Mr. Malay Patel. The Committee met 4 (four) times during the year. The meetings of the Committee were held on 13th April 2022, 16th June 2022, 13th October 2022 and 14th March 2023.

**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.

**Corporate Social Responsibility (CSR) Committee:**

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

- a. To formulate the Company's CSR Strategy, Policy and Goals;
- b. To recommend the amount of expenditure to be incurred every financial year on the CSR activities;
- c. To monitor the Company's CSR Policy and performance;
- d. To review the CSR projects/initiatives from time to time.

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

The Committee met four times during the year. The meetings of the Committee were held on 13th April 2022, 16th June 2022, 13th October 2022 and 06th December 2022.

**Business Review Committee:**

The Company has constituted a Business Review Committee consisting of Mr. Neeraj Swaroop, Mr. Samir Bhatia, Mr. Tarun Balram and Mr. Arvind Vohra. The Business Review Committee considers and reviews the Business of the Company. The meetings of the Committee were held on 12th October 2022, 06th December 2022 and 13th March 2023.

**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.

**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. Dhiraj Relli, Mr. Ashish Rathi, and Ms. Reynu B Bhat. The Committee met one time during the year on 16th June 2022.

**General Body Meetings:**

(During previous three financial years)

Meeting	Date and Time	Venue	No. of Special Resolutions passed
22nd AGM	15th July 2022 at 11.00 A.M.	Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")	One
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

**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 on 31 March 2023 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.

## SECRETARIAL STANDARDS

The Company has complied with the applicable provisions of secretarial standards issued by the Institute of Company Secretaries of India.

## DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SECTION 143 (12)

During the year under review, no instances of fraud committed against the Company by its officers or employees were reported by the Statutory Auditors and Secretarial Auditors under Section 143(12) of the Companies Act, 2013 to the Audit Committee or the Board of Directors of the Company.

## DECLARATIONS BY INDEPENDENT DIRECTORS

Dr. (Mrs.) Amla Samanta, Mr. Samir Bhatia, Mr. Malay Patel, Mr. Neeraj Swaroop and Mr. Tarun Balram 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 the 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 16th January 2023 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 strategies, 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 the 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 marginalized 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 ₹110/- per equity share (i.e. @ 1100%), ₹110/- per equity share (@ 1100%) ₹110/-per equity share (@ 1110%) and ₹110/- per equity share (@1110%) for the year ended 31st March 2023 aggregating ₹440/- per equity share (4440%) on 16th June, 2022, 16th September 2022, 19th December 2022 and 14th March 2023 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 the 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 have been changes in the Board of Directors.

- Mr. Neeraj Swaroop was appointed as Director w.e.f June 8, 2022
- Mr. Tarun Balram was appointed as Director w.e.f June 8, 2022
- Mr. Arvind Vohra was appointed as Director w.e.f January 9, 2023

## EMPLOYEE STOCK OPTIONS

The Company has granted 1,18,300 stock option at the price of ₹6,918/- on 13th October 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.44 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.

## 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 2022-23. 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 2022-23 in this regard are as under

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

## 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 and employees for their support in our endeavours.

**On behalf of the Board of Directors**

**Place: Mumbai**

**Date: 14th April 2023**

**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) 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: 14th April 2023**

**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]

Company Name	HDFC Securities Limited
CIN Number	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. Eradicating Poverty
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, 2023.

Name	Designation	No. of CSR Committee Meetings	No. of CSR Committee Meetings attended
Mr. Neeraj Swaroop	Chairperson	3	3
Dr. (Mrs.) Amla Samanta	Member	4	4
Mr. Dhiraj Relli	Member	4	4
Mr. Malay Patel	Member	4	4

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

<https://www.hdfcsec.com>

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

Yes. <https://www.hdfcsec.com>

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

The CSR budget for FY 2023 was calculated as (previous 3 yr. Avg. Profit Before Tax) which is:

Average Net Profit as per Sec 135(5): INR 9,24,97,80,000/-

**6. A. 2% thereof of the Net profit: INR 18,50,00,000/-**

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 18,50,00,000/-

**7. A. CSR Amount Spent or Unspent for the FY 2023:**

Total Spent	Amount transferred to Unspent CSR Account		Amount transferred to any specified fund.		
	Amount	Date	Name of the Fund	Amount	Date
INR 18,50,73,166/-	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 ₹).	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 ₹)	Amount spent in the FY2023 (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Imp'tion - Direct (Yes / No)	Mode of Imp'tion Through Implementing Agency	
										Name	CSR Registration Number
1	Green School Transformation-Project 1	Promoting education	Maharashtra	Maharashtra	FY 2023	68,37,900	68,37,900	0	NO	Yuva Unstop-pable	CSR00000473
2	Green School Transformation-Project 2	Promoting education	Maharashtra & Gujarat	Maharashtra & Gujarat	FY 2023	2,21,62,000	2,21,62,000	0	NO	Yuva Unstop-pable	CSR00000473
3	Smart Classroom (Project 3)	Promoting education	Maharashtra & Gujarat	Maharashtra & Gujarat	FY 2023	44,32,400	44,32,400	0	NO	Yuva Unstop-pable	CSR00000473
4	College Transformation (Project 4)	Promoting education	Karnataka	Karnataka	FY 2023	2,20,00,000	2,20,00,000	0	NO	Yuva Unstop-pable	CSR00000473
5	Isha Vidhya (Project 1)	Promoting education	Coimbatore, Erode, Nagercoil	Tamil Nadu	FY 2023	73,45,200	73,45,200	0	NO	Isha Vidhya	CSR00002614
6	Isha Vidhya (Project 1)	Promoting education, poverty and malnutrition, promoting preventive health care and sanitation	Coimbatore, Erode, Nagercoil, Tuticorin, Villupuram, Salem, Cuddalore, Dharmapuri & Karur	Tamil Nadu	FY 2023	73,45,200	73,45,200	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 ₹)	Amount spent in the FY2023 (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Imp'tion - Direct (Yes / No)	Mode of Imp'tion Through Implementing Agency	
										Name	CSR Registration Number
6	Isha Vidhya (Project 2)	Promoting education, poverty and malnutrition, promoting preventive health care and sanitation	Coimbatore, Erode, Nagercoil, Tuticorin, Villupuram, Salem, Cuddalore, Dharmapuri & Karur	Tamil Nadu	FY 2023	62,61,783	62,61,783	0	NO	Isha Vidhya	CSR0000261
7	Isha Vidhya (Project 3)	Promoting education, poverty and malnutrition, promoting preventive health care and sanitation	Coimbatore, Erode, Nagercoil, Tuticorin, Villupuram, Salem, Cuddalore, Dharmapuri & Karur	Tamil Nadu	FY 2023	84,84,000	84,84,000	0	NO	Isha Vidhya	CSR0000261
8	Akshay Patra (Project 1)	Eradicating Hunger	Lucknow	Uttar Pradesh	FY 2023	60,82,800	60,82,800	0	NO	Akshay Patra Foundation	CSR00000286
9	Akshay Patra (Project 2)	Eradicating Hunger	Delhi, Lucknow, Mangalore, Gambhiram (AP)	Uttar Pradesh, Karnataka, Delhi	FY 2023	63,52,500	63,52,500	0	NO	Akshay Patra Foundation	CSR00000286
10	Akshay Patra (Project 3)	Eradicating Hunger	Thane, Gandhinagar, Ahmedabad	Maharashtra, Gujarat	FY 2023	1,24,45,599	1,24,45,599	0	NO	Akshay Patra Foundation	CSR00000286
11	Antar Bharati Balgram Yojna (ISC) (Project 1)	Promoting education, Eradicating poverty and malnutrition, promoting preventive health care and sanitation	Lonavala and Pune	Maharashtra	FY 2023	68,13,400	68,13,400	0	NO	India Sponsorship Committee	CSR00001870
12	Antar Bharati Balgram Yojna (ISC) (Project 2)	Promoting education, Eradicating poverty and malnutrition, promoting preventive health care and sanitation	Lonavala and Pune	Maharashtra	FY 2023	47,99,160	47,99,160	0	NO	India Sponsorship Committee	CSR00001870

#	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 ₹)	Amount spent in the FY2023 (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Imp' tion - Direct (Yes / No)	Mode of Imp' tion Through Implementing Agency	
										Name	CSR Registration Number
13	Borderless World Foundation (Project 1)	Promoting education	Sri Nagar	Jammu & Kashmir	FY 2023	35,00,000	35,00,000	0	NO	Borderless World Foundation	CSR00002223
14	Borderless World Foundation (Project 2)	Health Care	Jammu & Kashmir	Jammu & Kashmir	FY 2023	70,51,424	70,51,424	0	NO	Borderless World Foundation	CSR00002223
15	Olympic Gold Quest (Project 1)	Promoting sports, training for Olympics & para-Olympics	Pan India	Pan India	FY 2023	50,00,000	50,00,000	0	NO	Foundation for Promotion of Sports and Games-Olympic Gold Quest	CSR00001100
16	Olympic Gold Quest (Project 2)	Promoting sports, training for Olympics & para-Olympics	Pan India	Pan India	FY 2023	2,00,00,000	2,00,00,000	0	NO	Foundation for Promotion of Sports and Games-Olympic Gold Quest	CSR00001100
17	Nana Palkar Smruti Samiti (Project 1)	Health Care	Mumbai	Mumbai	FY 2023	70,00,000	70,00,000	0	NO	Nana Palkar Smruti Samiti	CSR00001230
18	Nana Palkar Smruti Samiti (Project 2)	Health Care	Mumbai	Mumbai	FY 2023	1,33,80,000	1,33,80,000	0	NO	Nana Palkar Smruti Samiti	CSR00001230
19	Nana Palkar Smruti Samiti (Project 3)	Health Care	Mumbai	Mumbai	FY 2023	1,40,00,000	1,40,00,000	0	NO	Nana Palkar Smruti Samiti	CSR00001230
20	Give (formerly known as Goodera)	NA	Mumbai		FY 2023	11,25,000	11,25,000				

**D. Amount spent in Administrative Overheads: INR 11,25,000**

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

**F. Total amount spent for the Financial Year (8b+8c+8d+8e): INR 18,50,73,166**



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

- i) Two percent of average net profit of the company as per section 135(5) – INR 18,50,00,000/-
- ii) Total amount spent for the Financial Year – INR 18,50,73,166
- iii) Excess amount spent for the financial year [(ii)-(i)] – INR 73,166
- iv) Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any: 0
- v) Amount available for set off in succeeding financial years [(iii)-(iv)]: INR 73,166

**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 ₹) FY
			Name	Amount	Date	
2022-23	0	18,50,73,166	NA	NA	NA	NIL
2021-22	0	13,00,22,083	NA	NA	NA	NIL
2020-21	0	10,19,66,907	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:**

Sl 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: 14th April 2023**

**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	Total Number of option in force
SCHEME II	2,80,000	2,80,000	0	-	-	1136	No	3000
SCHEME III	92500	92500	27500	27500	-	4844	No	3150
SCHEME IV	164500	82250	27125	27125	-	5,458	No	91225
SCHEME V	61,500	15375	7300	7300	0	6098	No	47675
SCHEME VI	43,000	10750	3700	3700	0	8,051	No	38300
SCHEME VII	118300	0	0	0	0	6,918	No	118300

**▪ Details of option granted to Key Managerial Personnel**

Sr.No	Name	Designation	Option Granted
1.	Mr. Dhiraj Relli	Managing Director	20,800

**▪ 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: 14th April 2023**

**Dhiraj Relli**

**Managing Director**

**Ashish Rathi**

**Whole Time Director**

## Annexure IV

### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2023

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

To  
The Members,  
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, 2023 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We 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, 2023 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, 2014.
- 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 22nd Annual General meeting held on July 15, 2022 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 ₹10,000/- crores.
- II. The Company has issued 169 Commercial Papers aggregating ₹18566 crores and redeemed 194 Commercial Papers aggregating ₹18716 crores pursuant to maturity.

**For Bhandari & Associates**

**Company Secretaries**

Firm Registration No: P1981MH043700

**S. N. Bhandari**

**Partner**

FCS No: 761; C P No. : 366

Mumbai | 14th April, 2023

UDIN: F000761E000099145

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 31st March, 2023 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. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of 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**  
Firm Registration No: P1981MH043700

**S. N. Bhandari**  
Partner  
FCS No: 761; CP. No: 366  
Mumbai | 14th April, 2023  
UDIN: F000761E000099145

# INDEPENDENT AUDITOR'S REPORT

## 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 2023, 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 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 2023, and its 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 Matter(s)

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.

## Information Technolog

The key audit matter	How the matter was addressed in our audit
<p>Information Technology (“IT”) systems and controls</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> <ol style="list-style-type: none"> <li>1. 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>2. 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;</li> <li>c. Password policies; – Application change management procedures; and</li> <li>d. Computer Operations process (automated job processes, backups and incident management).</li> </ol> </li> <li>3. 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>4. Understanding IT infrastructure records for the in-scope systems i.e., operating systems and databases.</li> </ol>

### **Other Information (or another title if appropriate, such as “Information Other than the Financial Statements and Auditor’s 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 auditor’s 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 will 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 identified above when it becomes available 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' Responsibilities 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 the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, 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 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 in the preparation of financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's



ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

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

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

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India 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.
2. 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 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.
  - f. With respect to the adequacy of the internal financial controls 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 Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to

the explanations given to us:

- a. The Company has disclosed the impact of pending litigations as at 31 March 2023 on its financial position in its financial statements - Refer Note 36 to the financial statements.
  - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - d. (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 7 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), 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 by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.  
 (ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 15 to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), 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 by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.  
 (iii) Based on the audit procedures performed that have been 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 (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
  - e. The interim dividend declared and paid by the Company during the year and until the date of this audit report is in accordance with Section 123 of the Act.
  - f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.
- C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

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) of the Act 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: 14 April 2023

Membership No. 115007 | UDIN: 23115007BGXP0W3095

## Annexure A to the Independent Auditor's Report on the Financial Statements of HDFC securities Limited for the year ended 31 March 2023

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of 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.
- (i) (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 programme 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 programme, 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 discrepancies/discrepancy were/was 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 or both 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 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, provided guarantee or security, granted loans and advances in the nature of loans, secured or unsecured to companies, limited liability partnership and other parties in respect of which the requisite information is as below:

Particulars	Guarantees	Security	Loans (₹ in lakhs)	Advances in nature of loans
Aggregate amount during the year				
Subsidiaries*	-	-	-	-
Joint ventures*	-	-	-	-
Associates*	-	-	-	-
Others#	-	-	364,511	-
Balance outstanding as at balance sheet date				
Subsidiaries*	-	-	-	-
Joint ventures*	-	-	-	-
Associates*	-	-	-	-
Others*	-	-	274,757	-

\*As per the Companies Act, 2013

#The amount represents maximum loan outstanding during the year computed at day end rests.

- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made, guarantees provided, security given during the year and the terms and conditions of the grant of loans and advances in the nature of loans and guarantees provided during the year 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, in our opinion 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 Act for the services provided by it. Accordingly, clause 3(vi) of the Order is not applicable.
- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2023 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess 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 (₹ in lakhs)	Period to which the amount relates	Forum where dispute is pending	Rem arks, 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 year 2012-13	Commissioner of Income Tax (Appeal)	None
Income Act, 1961	Income Tax	81	Assessment year 2014-15	Commissioner of Income Tax (Appeal)	None
Income Act, 1961	Income Tax	2,516	Assessment year 2017-18	Commissioner of Income Tax (Appeal)	None
Income Act, 1961	Income Tax	1,875	Assessment year 2018-19	Commissioner of Income Tax (Appeal)	None
Income Act, 1961	Income Tax	143	Assessment year 2013-14	Commissioner of Income Tax (Appeal)	None
Income Act, 1961	Income Tax	431	Assessment year 2017-18	Commissioner of Income Tax (Appeal)	None
Income Act, 1961	Income Tax	98	Assessment year 2013-14	Commissioner of Income Tax (Appeal)	None
Income Act, 1961	Income Tax	198	Assessment Year 2012-13	Commissioner of Income Tax (Appeal)	None
Income Act, 1961	Income Tax	217	Assessment Year 2013-14	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 any lender.
- (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) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.
- (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 subsidiaries, associates or joint ventures (as defined under the Act) during the year ended 31 March 2023. Accordingly, clause 3(ix)(e) is not applicable.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies (as defined under the Act).
- (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 Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the 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) 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 Act, 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 Act 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 not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). 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 the 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 annual report is expected to be made available to us after the date of this auditor's report.
- (xx) 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 Act 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 Act pursuant to any ongoing project. Accordingly, clause 3(xx)(b) of the Order is not applicable.

For B S R & Co. LLP

Chartered Accountants

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

Sd/-

Ritesh Goyal

Partner

Place: Mumbai

Date: 14 April 2023

Membership No. 115007 | UDIN: 23115007BGXP0W3095

## **Annexure B to the Independent Auditor's Report on the financial statements of HDFC securities Limited for the year ended 31 March 2023**

**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 Act**

**(Referred to in paragraph 2(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 2023 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 on 31 March 2023, 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 and Board of Directors' Responsibilities 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 the company's policies, the safeguarding of its assets, the prevention and detection of fraud and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### **Auditor's Responsibility**

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 if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls 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 internal financial controls with reference to financial statements, 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

Sd/-

Ritesh Goyal

Partner

Membership No. 115007 | UDIN: 23115007BGXP0W3095

Place: Mumbai

Date: 14 April 2023

# BALANCE SHEET

## Balance Sheet as at 31 March 2023

(₹ in lacs)

Particulars	Note	As at	
		31 March 2023	31 March 2022
<b>ASSETS</b>			
<b>Financial Assets</b>			
Cash and cash equivalents	4	39,210	1,31,792
Bank Balance other than (4) above	5	3,11,740	2,28,091
<b>Receivables</b>			
Trade Receivables	6	40,727	50,586
Loans	7	2,74,757	3,28,348
Investments	8	1,21,361	24,377
Other Financial Assets	9	13,191	6,102
		8,00,986	7,69,296
<b>Non-Financial Assets</b>			
Current tax assets (Net)		3,829	3,049
Deferred tax Assets (Net)	34	-	-
Investment Property	10	1,368	1,397
Property, Plant and Equipment	11	8,051	7,584
Right-of-use assets	12	5,487	6,147
Capital work-in-progress	11	131	319
Intangible assets under development	11	2,743	1,151
Other Intangible assets	11	2,908	1,968
Other non-financial assets	13	1,297	1,343
		25,814	22,958
<b>TOTAL ASSETS</b>		8,26,800	7,92,254
<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		20	11
- total outstanding dues of creditors other than micro enterprises and small enterprises		98,171	1,42,057
Borrowings	15	5,25,410	4,61,914
Lease Liabilities	16	6,491	6,936
Other financial liabilities	17	2,855	469
		6,32,947	6,11,387
<b>Non-Financial Liabilities</b>			
Current tax liabilities (Net)		179	179
Provisions	18	11,055	11,733
Deferred tax liabilities (Net)	34	367	280
Other non-financial liabilities	19	2,538	2,884
		14,139	15,076
<b>Equity</b>			
Equity Share capital	20	1,589	1,583
Other Equity	21	1,78,125	1,64,208
		1,79,714	1,65,791
<b>TOTAL LIABILITIES AND EQUITY</b>		8,26,800	7,92,254

The accompanying notes form an integral part of this financial statements (1 to 54)

**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: 14 April 2023

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: 14 April 2023

**MITUL PALANKAR**  
Company Secretary

# PROFIT & LOSS ACCOUNT

## Statement of Profit and Loss for the year ended 31 March 2023

(₹ in lacs)

Particulars	Note	As at	
		31 March 2023	31 March 2022
<b>Revenue from operations</b>			
Brokerage and Fee Income	22	1,16,482	1,40,937
Interest Income	23	64,797	52,804
Sale of Services	24	1,146	1,466
Net gain on fair value changes	25	4,739	2,132
Rental Income	26	221	207
Dividend Income	27	16	11
<b>Total Revenue from operations</b>		<b>1,87,401</b>	<b>1,97,557</b>
Other Income	28	1,762	1,474
<b>Total Income</b>		<b>1,89,163</b>	<b>1,99,031</b>
<b>Expenses</b>			
Finance Costs	29	29,588	15,634
Impairment on financial instruments	30	2,098	590
Employee Benefits Expenses	31	27,471	25,740
Depreciation, amortization and impairment	10,11,12	5,745	4,230
Other expenses	32	20,071	20,806
<b>Total Expenses</b>		<b>84,973</b>	<b>67,000</b>
<b>Profit before tax</b>		<b>1,04,190</b>	<b>1,32,031</b>
<b>Tax expense</b>	34		
Current Tax		26,334	33,217
Deferred Tax		134	380
<b>Total tax expense</b>		<b>26,468</b>	<b>33,597</b>
<b>Profit for the year</b>		<b>77,722</b>	<b>98,434</b>
<b>Other comprehensive income :</b>			
Items that will not be reclassified to profit or loss:			
Re-measurement gains / (losses) on defined benefit plans		(182)	(155)
Income tax effect		46	39
Other comprehensive income for the year, net of tax		(136)	(116)
<b>Total comprehensive income for the period, net of tax</b>		<b>77,586</b>	<b>98,318</b>
<b>Earnings per equity share - [Nominal value of the shares ₹10]</b>			
Basic (in ₹)		490.22	623.21
Diluted (in ₹)		489.84	621.78

The accompanying notes form an integral part of this financial statements (1 to 54)

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: 14 April 2023

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Whole Time Director  
DIN: 07731968  
Place: Mumbai  
Date: 14 April 2023

**MITUL PALANKAR**  
Company Secretary

# STATEMENT OF CHANGES IN EQUITY

## Statement of Changes in Equity for the year ended 31 March 2023

### Equity Share Capital

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

(₹ in lacs)

	Number of shares	Amount
Balance as at 1 April 2022	1,58,28,975	1,583
Changes in equity share capital during FY 2022-23	65,625	6
Balance as at 31 March 2023	1,58,94,600	1,589

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

	Number of shares	Amount
Balance as at 1 April 2021	1,57,66,575	1,577
Changes in equity share capital during FY 2021-22	62,400	6
Balance as at 31 March 2022	1,58,28,975	1,583

### 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 2022	2,131	12,760	2,500	3,298	1,43,461	57	1,64,207
Transfer to Securities Premium from share based payment reserve	(1,249)	1,249	-	-	-	-	-
Premium on issue of share capital	-	3,549	-	-	-	-	3,549
Profit For the year	-	-	-	-	77,722	-	77,722
Dividends excluding dividend tax	-	-	-	-	(69,791)	-	(69,791)
Share based payment cost	2,186	-	-	386	-	-	2,573
Other Comprehensive Income	-	-	-	-	-	(136)	(136)
Balance as at 31 March 2023	3,069	17,558	2,500	3,684	1,51,393	(79)	1,78,125

### 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	1,31,490	173	1,46,454
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)
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	1,43,462	57	1,64,208

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: 14 April 2023

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: 14 April 2023

MITUL PALANKAR  
Company Secretary

# CASH FLOW STATEMENT

Cash Flow Statement for the year ended 31 March 2023

(₹ in lacs)

	Year Ended	
	31 March 2023	31 March 2022
<b>Cash Flow from operating activities</b>		
Profit before tax	1,04,190	1,32,031
<b>Adjustments</b>		
Depreciation & Amortization	5,745	4,230
Share based payments to employees	2,574	2,775
Impairment on financial instruments	2,098	590
Loss on sale / w/off of Property, Plant & Equipment	124	(4)
Rental income from investment property	(221)	(207)
Changes in fair value of investment	(4,739)	(2,132)
Finance Costs	29,588	15,634
Interest income	(2,659)	-
Dividend Income	(16)	(11)
	1,36,684	1,52,905
<b>Working capital adjustments:</b>		
Decrease / (Increase) in Other Bank Balance	(83,649)	(75,110)
Decrease / (Increase) in trade receivables	7,762	(7,215)
Decrease / (Increase) in loans	53,591	(1,60,933)
Decrease / (Increase) in Other financial assets	(7,089)	(1,717)
Decrease / (Increase) in Other non-financial assets	46	(378)
Increase/ (Decrease) in trade and other payables	(43,878)	38,081
Increase/ (Decrease) in lease liability	(445)	946
Increase/ (Decrease) in other financial liabilities	2,386	178
Increase/ (Decrease) in Provisions	(860)	2,831
Increase/ (Decrease) in Other non-financial liabilities	(345)	(1,739)
	64,202	(52,151)
Income tax paid	(27,114)	(34,034)
<b>Net Cash Flow (used in) / from operating activities (A)</b>	<b>37,088</b>	<b>(86,185)</b>
<b>Investing activities</b>		
Purchase of property, plant and equipment	(7,990)	(7,351)
Rental income received	221	207
Purchase of investments	(97,787)	(3,347)
Proceeds from sale / fair value change of current investments	5,542	4,696
Dividend received	16	11
Interest received	2,659	-
<b>Net cash flows (used in) / from investing activities (B)</b>	<b>(97,341)</b>	<b>(5,782)</b>

**Cash Flow Statement for the year ended 31 March 2023**

(₹ in lacs)

	Year Ended	
	31 March 2023	31 March 2022
<b>Financing activities:</b>		
Proceeds from Issuance of equity share capital	3,554	3,130
Proceeds from Issuance of Commercial Papers	19,35,096	16,81,914
Redemption of Commercial Papers	(18,71,600)	(14,25,000)
Finance Costs	(29,588)	(14,677)
Dividend paid, including dividend tax	(69,791)	(86,462)
<b>Net cash flows from financing activities (C)</b>	<b>(32,329)</b>	<b>1,58,905</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>(92,582)</b>	<b>66,937</b>
Cash and Cash equivalents at the beginning of the year	1,31,792	64,854
Cash and Cash equivalents at the end of the year	39,210	1,31,792
<b>Components of cash and cash equivalents</b>		
Cash in hand	0	0
Balances with Banks - In current accounts	39,210	96,792
Deposit accounts (with original maturity of 3 months or less)	-	35,000
Cash and Cash equivalents at the end of the year (Refer Note # 4)	39,210	1,31,792

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: 14 April 2023

For and on behalf of the Board of Directors of  
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**DHIRAJ RELLI**  
 Managing Director  
 DIN: 07151265

**KUNAL SANGHAVI**  
 Chief Financial Officer

**ASHISH RATHI**  
 Whole Time Director  
 DIN: 07731968  
 Place: Mumbai  
 Date: 14 April 2023

**MITUL PALANKAR**  
 Company Secretary

## Notes forming part of the Financial Statements for the year ended 31 March 2023

### 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 recognized 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 recognized 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 the 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 recognizes loss allowances for expected credit losses on its financial assets measured at amortized cost. At each reporting date, the Company assesses whether financial assets carried at amortized 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 recognizes 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 and 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 (a) 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.

### 3.4. (b) 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 is 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.

### 3.5. 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 are disclosed in the notes.

### 3.6. 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.

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

#### 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 amortized cost

A financial asset that meets the following two conditions is measured at amortized 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 amortized cost is subsequently measured at fair value. Where assets are measured at fair value, gains and losses are either recognized entirely in the statement of profit and loss (i.e. fair value through profit or loss), or recognized 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 recognized 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.

### 3.8. 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 that 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 recognized, 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 recognized 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 recognized is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognized for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through the statement of profit and loss.
- 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 is recorded as capital contribution from parent.

### 3.9. 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.

### 3.10. 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 been taken from banks and kept with exchanges as a margin to meet the margin obligation.

### 3.11. 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.

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

The right-of-use assets are initially recognized 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 amortized 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.

### 3.13. 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 recognized 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.

### 3.14. 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.

### 3.15. 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.

### 3.16. Borrowing Costs

The difference between the discounted amount mobilized and redemption value of commercial papers is recognized 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 31 March 2023	As at 31 March 2022
(i) Cash in hand	-	-
(ii) Balances with Banks**	39,210	1,31,792
<b>Total</b>	<b>39,210</b>	<b>1,31,792</b>

\*\* Refer Note # 42 for RPT transactions

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

(₹ in lacs)

Particulars	As at 31 March 2023	As at 31 March 2022
Earmarked accounts (unpaid dividend balance)	27	21
Fixed Deposits with Banks#	3,11,713	2,28,070
<b>Total</b>	<b>3,11,740</b>	<b>2,28,091</b>
Note:		
# Deposits pledged as margins / Bank Gaurantees	3,11,713	2,28,070

## Note 6: Receivables

### Trade Receivables

(₹ in lacs)

Particulars	As at 31 March 2023	As at 31 March 2022
Undisputed Trade Receivables - considered good	37,156	48,767
Less: Allowance for impairment loss	-	-
Undisputed Trade Receivables - considered doubtful**	4,976	2,705
Less: Allowance for impairment loss	(1,405)	(886)
<b>Total</b>	<b>40,727</b>	<b>50,586</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

### Trade Receivables ageing schedule as at 31 March 2023

Outstanding the following periods from due date of payment

(₹ in lacs)

Particulars	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than	Total
i) Undisputed Trade Receivables - considered good (net)	37,156	-	-	-	-	37,156
ii) Undisputed Trade Receivables - considered doubtful (net)	3,571	-	-	-	-	3,571
iii) Disputed Trade Receivables - considered good	-	-	-	-	-	-
iv) Disputed Trade Receivables - considered doubtful	-	-	-	-	-	-



## Trade Receivables ageing schedule as at 31 March 202

(₹ in lacs)

Outstanding the following periods from due date of payment

Particulars	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than	Total
i) Undisputed Trade Receivables - considered good (net)	48,767	-	-	-	-	48,767
ii) Undisputed Trade Receivables - considered doubtful (net)	1,819	-	-	-	-	1,819
iii) Disputed Trade Receivables - considered good	-	-	-	-	-	-
iv) Disputed Trade Receivables - considered doubtful	-	-	-	-	-	-

## Note 7: Loans

(₹ in lacs)

Particulars	As at 31 March 2023	As at 31 March 2022
<b>A. Amortised Cost</b>		
Margin Trading Funding	2,75,153	3,28,814
Less: Allowance for impairment loss	(396)	(466)
<b>Total</b>	<b>2,74,757</b>	<b>3,28,348</b>
<b>I) Secured by:</b>		
<b>i) Secured by tangible assets</b>		
Collateral in the form of cash, securities, Fixed Deposit Receipt (FDR) in case of Margin trade funding	2,75,153	3,28,814
ii) Unsecured	-	-
<b>Total Gross (i) + (ii)</b>	<b>2,75,153</b>	<b>3,28,814</b>
Less: Allowance for impairment loss	(396)	(466)
<b>Total Net</b>	<b>2,74,757</b>	<b>3,28,348</b>
<b>II) Loans in India</b>		
Margin Trading Funding	2,75,153	3,28,814
<b>Total Gross</b>	<b>2,75,153</b>	<b>3,28,814</b>
Less: Allowance for impairment loss	(396)	(466)
<b>Total Net</b>	<b>2,74,757</b>	<b>3,28,348</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>2,74,757</b>	<b>3,28,348</b>

Note:

- During the year, the Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), 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 by or on behalf of the company (Ultimate Beneficiaries); or
  - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- There are no loans due by directors or other officers of the Company or any of them either severally or jointly with any other persons or amounts due by firms or private companies respectively in which any director is a partner or a director or a member
- There are no loans or advances in the nature of loans to promoters, directors, KMPs or related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person, that are:
  - repayable on demand; or
  - without specifying any terms or period of repayment

**Note 8: Investments**

(₹ in lacs)

Particulars	As at 31 March 2023	As at 31 March 2022
<b>A) At Amortised Cost</b>		
Investments in Government securities		
5.74% GS 2026	487	0
7.38% GS 2027	2,500	0
6.54% GS 2032	61,357	0
7.26% GS 2032	7,456	0
<b>B) At Fair Value Through profit or loss</b>		
Investments in Mutual funds		
HDFC Liquid Fund Direct - Growth	11,202	10,598
SBI Magnum Gilt Fund Direct Growth	10,018	-
ICICI Prudential Liquid - Direct Plan - Growth	11,222	10,619
TRUSTMF Liquid Fund Direct Plan - Growth	510	-
Nippon I Gilt Securities Fund Direct Growth	10,012	-
Nippon I Eq Hybrid - Segregated Portfolio1 Dir-Div	0	0
Equity and Preference instruments		
BSE Limited	526	1,151
Yes Bank Limited	-	45
Smallcase Technologies Private Limited	660	793
Virtuoso Infotech Pvt Ltd	75	30
Borderless Softtech Pvt Ltd	4,581	641
Baldor Technologies Pvt Ltd	755	500
<b>Total Gross (A)</b>	<b>1,21,361</b>	<b>24,377</b>
Investments in India	1,21,361	24,377
<b>Total (B)</b>	<b>1,21,361</b>	<b>24,377</b>
Less: Allowance for Impairment loss (C)	-	-
<b>Total Net (D) (A)-(C)</b>	<b>1,21,361</b>	<b>24,377</b>

**Note 9: Other Financials Assets**
**a) Advances and Deposits**

(₹ in lacs)

Particulars	As at 31 March 2023	As at 31 March 2022
Security Deposits Unsecured, considered good	529	487
Unsecured, considered doubtful	17	18
Less: Impairment loss	(17)	(18)
Fixed Deposits*#^	1,129	211
Deposit with Stock Exchanges	450	277
Deposit with Bank for Arbitration^	31	17
Other Advances	1,043	958
<b>Sub total</b>	<b>3,182</b>	<b>1,950</b>
*With balance maturity of more than 12 months as at the balance sheet date		
# Deposits pledged as margins / Bank Gaurantees	1,129	211
^ Refer Note # 42 for RPT transactions		

## b) Income Receivables

(₹ in lacs)

Particulars	As at 31 March 2023	As at 31 March 2022
Interest accrued but not due	8,073	2,222
Unbilled Revenue / Income Receivable	3,572	1,930
Less: Allowance for Impairment loss	(1,636)	-
<b>Sub total</b>	<b>10,009</b>	<b>4,152</b>
<b>Total (a + b)</b>	<b>13,191</b>	<b>6,102</b>

## Note 10: Investment Property

(₹ in lacs)

Particulars	As at 31 March 2023	As at 31 March 2022
Investment property	1,368	1,397
<b>Total</b>	<b>1,368</b>	<b>1,397</b>

## Reconciliation of carrying amount

(₹ in lacs)

Particulars	As at 31 March 2023	As at 31 March 2022
Cost or Deemed Cost (gross carrying amount)	1,659	1,659
Accumulated depreciation opening	262	235
Depreciation for the year	29	27
Accumulated depreciation closing	291	262
<b>Carrying amounts</b>	<b>1,368</b>	<b>1,397</b>
Fair Value	2,360	4,057

## Note 11: Property, Plant and Equipment

(For the year ended 31 March 2023)

(₹ in lacs)

		Tangible Assets										Intangible Assets (Other than Internally generated)			Total Intangible Assets (a)	Intangible assets under development (b)	Total (a) + (b)
		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)			
Property, Plant and Equipment for current year	As at 01-04-2022	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
	Additions during the year	172	-	-	47	504	109	2,856	3,687	3,499	7,186	-	1,927	-	1,927	3,519	5,446
	Deletions/ Adjustments during the year	120			13	143	16	176	468	3,687	4,155				-	1,927	1,927
	As at 31-03-2023	2,227	1,067	36	386	957	1,116	16,039	21,827	131	21,958	288	9,501	164	9,952	2,743	12,695
Accumulated Depreciation	As at 01-04-2022	1,593	167	30	241	242	865	7,888	11,026	-	11,026	288	5,606	164	6,058	-	6,058
	Charge for the year	201	16	4	37	183	83	2,647	3,171	-	3,171		987		987	-	987
	Deletions during the year	99			10	122	16	174	420	-	420				-	-	-
	As at 31-03-2023	1,694	185	34	268	304	933	10,361	13,778	-	13,778	288	6,593	164	7,046	-	7,046
Net Block	As at 01-04-2022	583	901	5	111	355	158	5,471	7,584	319	7,903	-	1,968	-	1,968	1,151	3,119
	As at 31-03-2023	534	883	2	118	653	183	5,678	8,051	131	8,182	-	2,908	-	2,908	2,743	5,651

(₹ in lacs)

Property, Plant and Equipment for previous 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
	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	As at 01-04-2021	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

**Note 12: Right-of-use assets**

(₹ in lacs)

Particulars	As at 31 March 2023	As at 31 March 2022
Right-of-use assets	5,487	6,147
<b>Total</b>	<b>5,487</b>	<b>6,147</b>

**Reconciliation of carrying amount**

(₹ in lacs)

Particulars	As at 31 March 2023	As at 31 March 2022
Carrying amount opening	6,147	5,285
Addition	606	1,926
Adjustments/deletion	-	-
Depreciation for the year	1,266	1,064
<b>Carrying amount closing</b>	<b>5,487</b>	<b>6,147</b>

**Note 13: Other non-financial assets**

(₹ in lacs)

Particulars	As at 31 March 2023	As at 31 March 2022
Prepaid Expenses	1,297	1,343
<b>Total</b>	<b>1,297</b>	<b>1,343</b>

**Note 14: Payables****Trade Payables**

(₹ in lacs)

Particulars	As at 31 March 2023	As at 31 March 2022
Total outstanding dues of Micro enterprise and small enterprises	20	11
<b>Total</b>	<b>20</b>	<b>11</b>
Total outstanding dues of other than Micro enterprise and small enterprises		
Payable to Exchanges	-	-
Payable to Clients	98,095	1,41,559
Other trade payables	76	498
<b>Total</b>	<b>98,171</b>	<b>1,42,057</b>

**Trade Payables ageing schedule as at 31 March 2023**

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
i) MSME	20	-	-	-	20
ii) Others	98,171	-	-	-	98,171
ii) Disputed dues - MSME	-	-	-	-	-
iv) Disputed dues - Others	-	-	-	-	-

**Trade Receivables ageing schedule as at 31 March 2022**

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
i) MSME	11	-	-	-	11
ii) Others	1,42,057	-	-	-	1,42,057
ii) Disputed dues - MSME	-	-	-	-	-
iv) Disputed dues - Others	-	-	-	-	-

**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 31 March 2023	As at 31 March 2022
(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	20	11
(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	16	9
(e) The amount of interest accrued during the year and remaining unpaid at the end of the accounting year	4	2
(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 at amortized cost**

(₹ in lacs)

Particulars	As at 31 March 2023	As at 31 March 2022
Commercial Papers*	4,25,783	4,41,914
MTF Loan	99,627	20,000
<b>Total</b>	<b>5,25,410</b>	<b>4,61,914</b>
Borrowings in India	5,25,410	4,61,914
Borrowings Outside India	-	-

Note:

As at 31/03/2023

(₹ in lacs)

Tenure	Particulars	Rate of Interest	Maximum Outstanding
87-91 days	Commercial Papers	4.10% - 8.07%	4,30,000

As at 31/03/2022

(₹ in lacs)

Tenure	Particulars	Rate of Interest	Maximum Outstanding
79-364 days	Commercial Papers	4.13% - 5.30%	4,45,000

\* Refer Note #43 for detail listing

Note:

- 1 The Company is not declared willful defaulter by any bank or financial institution or other lender
- 2 During the year, the Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
  - i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries); or
  - ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

**Note 16: Lease Liabilities**

(₹ in lacs)

Particulars	As at 31 March 2023	As at 31 March 2022
Lease Liabilities	6,491	6,936
<b>Total</b>	<b>6,491</b>	<b>6,936</b>

**Note 17: Other financial liabilities**

(₹ in lacs)

Particulars	As at 31 March 2023	As at 31 March 2022
Security deposits received	89	76
Liabilities for capital goods	760	371
Other Liabilities	1,979	-
Unpaid dividends	27	21
<b>Total</b>	<b>2,855</b>	<b>469</b>

**Note 18: Provisions**

(₹ in lacs)

Particulars	As at 31 March 2023	As at 31 March 2022
(a) Provision for employee benefits		
Payroll & employee benefits	3,011	4,744
Provision for gratuity	262	234
Compensated absences	937	809
(b) Others		
Provision for expense	6,584	5,699
Provision For Contingencies	261	247
<b>Total</b>	<b>11,055</b>	<b>11,733</b>

**Note 19: Other non-financial liabilities**

(₹ in lacs)

Particulars	As at 31 March 2023	As at 31 March 2022
Deferred rental income	27	(0)
Statutory Dues including TDS and PF	2,019	1,917
Income received in advance	491	966
Provision for Fringe Benefit Tax	1	1
<b>Total</b>	<b>2,538</b>	<b>2,884</b>

**Note 20: Share Capital**

(₹ in lacs)

Particulars	As at 31 March 2023		As at 31 March 2022	
	Number	Amount	Number	Amount
<b>Authorised</b>				
Equity Shares of ₹10 each	2,00,00,000	2,000	2,00,00,000	2,000
<b>Issued, Subscribed &amp; Paid-up</b>				
Equity Shares of ₹10 each fully paid up	1,58,94,600	1,589	1,58,28,975	1,583
<b>Total</b>	<b>1,58,94,600</b>	<b>1,589</b>	<b>1,58,28,975</b>	<b>1,583</b>

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

(₹ in lacs)

Particulars	As at 31 March 2023		As at 31 March 2022	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	1,58,28,975	1,583	1,57,66,575	1,577
Shares issued under ESOP during the year	65,625	6	62,400	6
Shares outstanding at the end of the year	1,58,94,600	1,589	1,58,28,975	1,583

**(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**

(₹ in lacs)

Particulars	As at 31 March 2023		As at 31 March 2022	
	Number	Amount	Number	Amount
Equity Shares held by HDFC Bank Limited	1,51,90,044	1,519	1,51,90,044	1,519
<b>Total</b>	<b>1,51,90,044</b>	<b>1,519</b>	<b>1,51,90,044</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**

(₹ in lacs)

Particulars	As at 31 March 2023		As at 31 March 2022	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
HDFC Bank Limited	1,51,90,044	95.57%	1,51,90,044	95.96%

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

42,900 number of shares are reserved to be issued under employees stock option scheme (ESOP II)

**(vi) Shares held by promoters at the end of the year**

Promoter Name	No of Shares	% of shares	% Change during the year
HDFC Bank Limited	1,51,90,044	95.57%	-0.40%

**Note 21: Other Equity**

(₹ in lacs)

Particulars	As at 31 March 2023	As at 31 March 2022
Share based payment reserve	3,069	2,131
Capital Contribution from parent	3,684	3,298
Securities Premium Account	17,558	12,760
Retained Earnings	1,43,461	1,31,490
Less: Appropriations - Final dividend on equity shares	-	-
Less: Appropriations(-) Interim Dividends**	(69,791)	(86,462)
Profit for the year	77,722	98,434
Other Comprehensive Income	(79)	57
General Reserve Account	2,500	2,500
<b>Total</b>	<b>1,78,125</b>	<b>1,64,208</b>

\*\* The Company has paid the interim dividend of ₹440 per share (Interim dividend for FY 21-22 was ₹547 per share) that it was declared during the year ended 31 March 2023

- 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**

(₹ in lacs)

Particulars	As at 31 March 2023	As at 31 March 2022
Brokerage Income**	80,832	1,15,547
Fee Income**	33,871	24,665
Depository Income	1,779	725
<b>Total</b>	<b>1,16,482</b>	<b>1,40,937</b>
Fee Income includes Commission on sale of insurance products as mentioned below:		
Commission on sale of Life Insurance	4,864	3,759
Commission on sale of General Insurance	24	19
Commission on sale of Health Insurance	147	107

\*\* Refer Note # 42 for RPT transactions



**Note 23: Interest Income**

(₹ in lacs)

Particulars	As at 31 March 2023	As at 31 March 2022
<b>On Financial Assets measured at Amortised Cost</b>		
Interest on Loans	47,978	45,878
Interest on deposits with Banks**	13,862	6,713
Interest on GSec	2,659	-
Other interest Income	298	213
<b>On Financial Assets classified at fair value through profit or loss</b>		
Interest income from investments	-	-
<b>Total</b>	<b>64,797</b>	<b>52,804</b>

\*\* Refer Note # 42 for RPT transactions

**Note 24: Sale of Services**

(₹ in lacs)

Particulars	As at 31 March 2023	As at 31 March 2022
SMS and Value Added Services	1,146	1,466
<b>Total</b>	<b>1,146</b>	<b>1,466</b>

**Note 25: Net gain on fair value changes**

(₹ in lacs)

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Net gain on financial instruments at fair value through profit or loss</b>		
On Investment	4,739	2,132
<b>Total</b>	<b>4,739</b>	<b>2,132</b>
<b>Fair Value changes:</b>		
Realised	(117)	567
Unrealised	4,856	1,565
<b>Total</b>	<b>4,739</b>	<b>2,132</b>

**Note 26: Rental Income**

(₹ in lacs)

Particulars	As at 31 March 2023	As at 31 March 2022
Rental income from operating leases	215	202
Amortisation of deferred rental income	6	5
<b>Total</b>	<b>221</b>	<b>207</b>

**Note 27: Dividend Income**

(₹ in lacs)

Particulars	As at 31 March 2023	As at 31 March 2022
Dividend income on investments	16	11
<b>Total</b>	<b>16</b>	<b>11</b>

**Note 28: Other Income**

(₹ in lacs)

Particulars	As at 31 March 2023	As at 31 March 2022
Miscellaneous income**	1,762	1,474
<b>Total</b>	<b>1,762</b>	<b>1,474</b>

\*\* Refer Note # 42 for RPT transactions

**Note 29: Finance Costs**

(₹ in lacs)

Particulars	As at 31 March 2023	As at 31 March 2022
<b>On Financial liabilities measured at Amortised Cost</b>		
Interest Expense	29,588	15,634
<b>Total</b>	<b>29,588</b>	<b>15,634</b>

**Note 30: Impairment on financial instruments**

(₹ in lacs)

Particulars	As at 31 March 2023	As at 31 March 2022
<b>On Financial instruments measured at Amortised Cost</b>		
Loans	(70)	(168)
Trade & Other Receivable	2,168	758
<b>Total</b>	<b>2,098</b>	<b>590</b>

**Note 31: Employee Benefits Expenses**

(₹ in lacs)

Particulars	As at 31 March 2023	As at 31 March 2022
Salaries and wages	22,519	21,411
Contribution to provident and other Funds	1,126	967
Share Based Payments to employees	2,574	2,775
Staff welfare expenses	1,252	588
<b>Total</b>	<b>27,471</b>	<b>25,740</b>

**Note 32: Other expenses**

(₹ in lacs)

Particulars	As at 31 March 2023	As at 31 March 2022
Stamp, registration and trading expenses	2,568	1,726
Legal and Professional charges	1,905	2,472
Director's fees, allowances and expenses	77	70
Repairs and Maintenance	4,657	3,589
Rent, taxes and energy costs	1,368	1,100
Advertisement and publicity	226	2,702
Auditor's fees and expenses (Refer Note 47)	39	36
Insurance	59	39
Printing and stationery	171	192
Expenditure on Corporate Social Responsibility (Refer Note 40)	1,851	1,300
Communication Costs	3,525	3,241
Other expenditure	3,625	4,339
<b>Total</b>	<b>20,071</b>	<b>20,806</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 2023	31 March 2022	
a	Equity shares outstanding at the beginning of the year	Nos.	1,58,28,975	1,57,66,575
b	Add: Weighted average number of equity shares issued during the year	Nos.	25,558	28,184
c	Weighted average number of equity shares for basic earnings per share (a + b)	Nos.	1,58,54,533	1,57,94,759
d	Net profit after tax available for equity shareholders	₹ in lacs	77,722	98,434
e	Basic earnings per share of ₹10 each (c/d)	₹	490.22	623.21

**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 2023	31 March 2022	
a	Weighted average number of equity shares for basic earnings per share	Nos.	1,58,54,533	1,57,94,759
b	Add / (Less) : Impact of Diluted ESOPs	Nos.	12,248	36,355
c	Weighted average number of equity shares for diluted earnings per share (a + b)	Nos.	1,58,66,781	1,58,31,114
d	Net profit after tax available for equity shareholders	₹ in lacs	77,722	98,434
e	Diluted earnings per share of ₹10 each (c/d)	₹	489.84	621.78

**Note 34 : Income Tax****A. Amounts recognised in profit or loss**

(₹ in lacs)

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Current Tax</b>		
Current Period	26,334	33,165
Tax Relating to prior period	-	52
	26,334	33,217
<b>Deferred Tax</b>		
Attributable to -		
Origination and reversal of temporary differences	134	380
Reduction in tax rate	-	-
	134	380
<b>Tax expense</b>	26,468	33,597

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

As at 31 March 2023

	Before tax	Tax (expense)	Net of tax
Remeasurements of defined benefit liability (asset)	(182)	46	(136)
<b>Total</b>	(182)	46	(136)

As at 31 March 2022

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

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 31 March 2023	For the year ended 31 March 2022
Profit before income tax	1,04,190	1,32,031
Tax using Company's domestic tax rate	26,223	33,230
Effect of		
Corporate social responsibility	1,851	326
Long Term Capital (Gain) / Loss	117	(89)
Provision for employee benefits	156	21
Provision for Tax Earlier Years	-	52
Provisions for Penalty	865	-
MTM (Gain) / Loss on Investments	(4,855)	-
Provision for Doubtful debts	2,098	-
Others (Net)	14	57
<b>Total Tax Expense</b>	<b>26,468</b>	<b>33,597</b>

Statutory tax rate is 25.168%. The effective income tax rate for 31 March 2023 is 25.40% (31 March 2022 is 25.45%)

**D. Recognised deferred tax assets and liabilities**

(₹ in lacs)

Particulars	As at 31 March 2023	As at 31 March 2022
Temporary differences attributable to:		
Deferred tax liabilities		
Property, plant and equipment	280	226
Fair value of investments	1,912	690
Ind AS 116 Impact (Net)	-	199
Amortised Interest on G Sec	47	-
	<b>2,240</b>	<b>1,115</b>
Deferred tax assets		
Provision for employee benefits	302	263
Provision for Doubtful debts	869	345
Provision for Rates and Taxes	166	166
Provision for Contingencies	284	62
Ind AS 116 Impact (Net)	252	-
	<b>1,873</b>	<b>835</b>
<b>Net deferred tax (asset) / liability recognised on the balance sheet</b>	<b>367</b>	<b>280</b>

**Note 35 : Proposed Dividend**

The Board of Directors, in their meeting held on 14 April 2023 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 2023	31 March 2022
Claims against the Company not acknowledged as debt	1	487	238
Income Tax, Service Tax and Stamp Duty demands	2	5,824	5,080
Bank Guarantee	4	69,400	54,400
<b>Total</b>		<b>75,711</b>	<b>59,719</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 2023 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 ₹3,193 lacs (previous year - ₹3,729 lacs).

**Note 37 : Foreign Currency Transaction****a) Expenditure in Foreign Currency**

(₹ in lacs)

Particulars	31 March 2023	31 March 2022
Straight Through Processing (STP) and Chat Integration	128	88
<b>Total</b>	<b>128</b>	<b>88</b>

**b) Earnings in Foreign Currency**

(₹ in lacs)

Particulars	31 March 2023	31 March 2022
Referral fees for Global Investing	NIL	62
Research Information Services	17	105
Consideration from sale of unlisted shares - Qfix	NIL	38
<b>Total</b>	<b>17</b>	<b>205</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 ₹914 lacs (Previous Year ₹735 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 ₹51 lacs (Previous Year ₹34 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 2023	31 March 2022
Balance at the beginning of the year	1,325	1,055
Current Service Cost	192	138
Interest Cost	80	65
Actuarial Losses	175	162
Benefits paid	(135)	(95)
<b>Balance at the end of the year</b>	<b>1,637</b>	<b>1,325</b>

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

(₹ in lacs)

Particulars	31 March 2023	31 March 2022
Balance at the beginning of the year	1,091	970
Expected return on Plan Assets	59	66
Contributions	360	150
Benefits paid	(135)	(95)
Actuarial Gain / (Loss)	-	-
<b>Balance at the end of the year</b>	<b>1,375</b>	<b>1,091</b>

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

(₹ in lacs)

Particulars	31 March 2023	31 March 2022
Present Value of Funded Obligation	1,637	1,325
Fair Value of Plan Assets	1,375	1,091
<b>Net Liability Recognised in the Balance Sheet</b>	<b>262</b>	<b>234</b>

**4. Expenses recognised in the Income Statement**

(₹ in lacs)

Particulars	31 March 2023	31 March 2022
Current Service Cost	192	138
Past Service Cost		
Loss / (Gain) on settlement		
Net Interest Cost / (Income) on the Net Defined Benefit	14	5
Liability / (Asset)		
<b>Net gratuity expenses recognised in the Statement of Profit and Loss</b>	<b>206</b>	<b>144</b>

**5. Remeasurements recognised in other comprehensive income**

(₹ in lacs)

Particulars	31 March 2023	31 March 2022
Actuarial (gains) / losses		
- change in demographic assumptions	(34)	(73)
- change in financial assumptions	(46)	227
- experience variance (i.e. Actual experience vs assumptions)	256	6
Return on plan assets, excluding amount recognised in net interest expense	6	(5)
<b>Total</b>	<b>182</b>	<b>155</b>

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

(₹ in lacs)

Particulars	31 March 2023	31 March 2022
Funds managed by Insurer	100	100
<b>Grand Total</b>	<b>100</b>	<b>100</b>

**7. Experience Adjustments**

(₹ in lacs)

Particulars	31 March 2023	31 March 2022	31 March 2021	31 March 2020	31 March 2019
Defined Benefit Obligation	1,637	1,325	1,055	929	802
Fair value of Plan Assets	1,375	1,091	970	850	795
Surplus / (Deficit)	(262)	(234)	(85)	(79)	(7)

**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.

(₹ in lacs)

Particulars	31 March 2023	31 March 2022
Discount Rate	7.20%	6.05%
Salary Escalation Rate	10.78%	10.02%
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 2023		31 March 2022	
	Decrease	Increase	Decrease	Increase
Discount Rate (1% movement)	1,738	1,547	1,421	1,240
Salary Growth Rate (1% movement)	1,549	1,734	1,242	1,416
Attrition rate (50% movement)	1,881	1,521	1,559	1,212
Mortality Rate (10% movement)	1,638	1,637	1,326	1,325

**10. Expected Contribution during the next annual reporting period**

The Employer's best estimate of the contributions expected to be paid to the plan during the next year – ₹435 lacs (previous year – ₹399 lacs).

**C. Other long term employee benefits**

A sum of ₹128 lacs (Previous Year ₹91 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 recognizes 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 recognizes 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 2023. The Company has recognised ₹751 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 recognized 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 amortized 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 ₹1577 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 2023		
	Leasehold property	Leasehold Improvements	Total
Balance as of 1 April 2022	6,147	-	6,147
Add: Additions during the period	606	-	606
Less: Deductions during the period	-	-	-
Less: Depreciation	(1,266)	-	(1,266)
Total	5,487	-	5,487

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

Following is the movement in lease liabilities for the year:

(₹ in lacs)

Asset Class	Carrying Values for the year ended 31 March 2023		
	Leasehold property	Leasehold Improvements	Total
Balance as of 1 April 2022	6,936	-	6,936
Additions during the period	570	-	570
Deductions during the period	-	-	-
Interest Expense	562	-	562
Less: Lease Payments	(1,577)	-	(1,577)
Total	6,491	-	6,491

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



Following is maturity analysis of contractual undiscounted cash flows

(₹ in lacs)

Particulars	31 March 2023	31 March 2022
Less than 1 year	1,878	1,815
One to five years	5,434	5,416
More than five years	1,148	1,553
<b>Total</b>	<b>8,460</b>	<b>8,784</b>

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

(₹ in lacs)

Particulars	31 March 2023	31 March 2022
Amount required to be spent by the company during the year	1,851	1,300
Amount of expenditure incurred	1,851	1,300
Amount available for set off from preceding financial years	-	-
Amount required to be setoff for the financial year	-	-
Shortfall at the end of the year	-	-
Details of unspent CSR amount for the	-	-
Reason for shortfall	-	-
Nature of CSR activities	01 Education 02 Medical Assistance 03 Health & sanitation 04 Sports 05 Skill development	01 Education 02 Medical Assistance 03 Health & sanitation 04 Sports 05 Skill development
Details of related party transactions, e.g. contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard	-	-
Details of related party transactions, e.g. contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard	-	-

#### 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

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
Neeraj Swaroop	Non-executive Independent Director (w.e.f. 08 June 2022)
Tarun Balram	Non-executive Independent Director (w.e.f. 08 June 2022)
Arvind Vohra	Nominee Director (w.e.f. 09 January 2023)
Kunal Sanghavi	Chief Financial Officer
Mitul Palankar	Company Secretary

**C**

Post Employment Benefits Plan	Employees Group Gratuity cum Life Assurance Scheme
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**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
Kaizad Bharucha	Executive Director
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 (till 18 February 2022)
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)
Santosh Haldankar	Company Secretary
Srinivasan Vaidyanathan	Chief Financial Officer

**Relatives of Key Managerial Personnel or Directors**

Vidyut Samanta	Son of Amla Samanta
Archana Relli	Spouse of Dhiraj Relli
Aditya Samanta	Son of Amla Samanta
Anita Bharat Shah	Spouse of Bharat Shah
Vimal Relli	Brother of Dhiraj Relli
Lalita Rathi	Mother of Ashish Rathi
Dr. Arjun Kalyanpur	Spouse of Mrs. (Dr.) Sunita Maheshwari
Rupali Vohra	Spouse of Arvind Vohra
Ashim Samanta	Spouse of Amla Samanta
Prajwal Haldankar	Son of Santosh Haldankar
Kritya Relli	Daughter of Dhiraj Relli
Poonam Rathi	Spouse of Ashish Rathi
Sanjana Haldankar	Spouse of Santosh Haldankar
Bhakti Prakash Sarangi	Son of Umesh Chandra Sarangi
Selina Vohra	Daughter of Arvind Vohra
Mr. Ashok Sud	Brother of Renu Karnad

**Entities in which Key Managerial Personnel are interested.**

Raab Investments Pvt. Ltd.	Abhay Aima is a director and Member
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**E**

Fellow subsidiary	HDB Financials Services Limited
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## F: Transactions with related parties

(₹ in lacs)

I. Parent Company	HDFC Bank	
	31 March 2023	31 March 2022
Transactions during the year:		
Placement of fixed deposits	20,014	20,050
Redemption of fixed deposits	10,000	20,040
Franking Advance given	-	3
Rendering of services (including recoveries of expenses)	2,452	2,192
Receiving of services (including payment of expenses)	4,177	4,022
Interest received on Fixed Deposits	476	11
Interest paid	-	-
Dividend Paid	66,836	83,090
Purchase of Government Securities	57,889	-

Balances Outstanding :		
Receivables	99	59
Advances / (Payables)	0	9
Bank balances	29,173	81,692
Fixed deposits	10,061	47
Accrued interest on fixed deposit - receivable*	317	2
Accrued expenses	1,496	159
Advances	61	61
Deposit received	107	76
Deposit payable	80	61

(₹ in lacs)

II. Investor exerting significant influence	HDFC Limited	
	31 March 2023	31 March 2022
Transactions during the year:		
Rendering of services (Including recoveries of expenses)	389	257
Interest Received	-	20
Placement of Fixed Deposits	-	-
Redemption of Fixed Deposits	-	5,000

Balances Outstanding :		
Receivables*	12	(0)

(₹ in lacs)

III. Fellow subsidiary	HDB Financials	
	31 March 2023	31 March 2022
Transactions during the year:		
Rendering of services (Including recoveries of expenses)	-	-
Receiving of services (Including payment of expenses)	10	19

Balances Outstanding :		
Receivables	0	1
Accrued expenses	3	-

(₹ in lacs)

IV. Other Related Parties	31 March 2023	31 March 2022
<b>HDFC Asset Management Company Ltd</b>		
<b>Transactions during the year :</b>		
Rendering of services (Including recoveries of expenses)	128	2
<b>Balances Outstanding :</b>		
Receivables	29	-
<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)	22	19
Receiving of services (Including payment of expenses)	22	24
<b>Balances Outstanding :</b>		
Receivables*	3	0
Payables	(20)	(23)
Accrued Expenses	-	-
<b>HDFC Life Insurance Company Limited</b>		
<b>Transactions during the year :</b>		
Rendering of services (Including recoveries of expenses)	7,113	4,794
Receiving of services (Including payment of expenses)	197	190
<b>Balances Outstanding :</b>		
Receivables	1,350	97
Payables*	(26)	(18)
Accrued Expenses	113	-

\* Less than ₹50,000 /-

(₹ in lacs)

KMP, Directors, Their Relatives and Entities in which KMP are interested	31 March 2023	31 March 2022
<b>Nature of Transaction</b>		
Rendering of services (including recoveries of expenses)	23	32
Receiving of services (including reimbursement)	13	39
Sitting Fees Paid	77	70
Managerial Remuneration & Perquisites Paid	648	3,066
Dividend Paid	162	198
ESOP - Number of options outstanding (nos)	49,850	29,050

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

**Note 43 : Financial instruments****A. Financial instruments – Fair values****1. Accounting classification and 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 2023 are as follows: (₹ in lacs)

31 March 2023	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	49,561	71,799	1,21,361	525	42,963	6,073	49,561
Financial assets not measured at fair value							
Cash and cash equivalents		39,210	39,210	-	-	-	-
Bank Balance other than above		3,11,740	3,11,740	-	-	-	-
Receivables				-	-	-	-
Trade Receivables		40,727	40,727	-	-	-	-
Loans		2,74,757	2,74,757	-	-	-	-
Other Financial Assets		13,191	13,191	-	-	-	-
<b>Total</b>	<b>49,561</b>	<b>7,51,425</b>	<b>8,00,986</b>	<b>525</b>	<b>42,963</b>	<b>6,073</b>	<b>49,561</b>
<b>Financial liabilities</b>							
Financial liabilities not measured at fair value							
Trade Payables		98,191	98,191	-	-	-	-
Borrowings		5,25,410	5,25,410	-	-	-	-
Lease Liability		6,491	6,491	-	-	-	-
Other financial liabilities		2,855	2,855	-	-	-	-
<b>Total</b>	<b>-</b>	<b>6,32,946</b>	<b>6,32,946</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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		1,31,792	1,31,792	-	-	-	-
Bank Balance other than above		2,28,091	2,28,091	-	-	-	-
Receivables							
Trade Receivables		50,586	50,586	-	-	-	-
Loans		3,28,348	3,28,348	-	-	-	-
Other Financial Assets		6,102	6,102	-	-	-	-
<b>Total</b>	<b>24,377</b>	<b>7,44,919</b>	<b>7,69,296</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	-	1,42,068	1,42,068	-	-	-	-
Borrowings		4,61,914	4,61,914				
Lease Liability		6,936	6,936				
Other financial liabilities	-	469	469	-	-	-	-
<b>Total</b>	<b>-</b>	<b>6,11,387</b>	<b>6,11,387</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.

Fair value of shares on Margin Pledge and Withhold

(₹ in lacs)

Particulars	31 March 2023	31 March 2022
The fair value of shares on Margin Pledge and Withhold	6,86,200	4,50,344

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 & Government Securities, 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 model as approved by board.

### The movement in expected credit loss

(₹ in lacs)

Particulars	Carrying amount	Carrying amount
	31 March 2023	31 March 2022
Opening balance	1,600	1,010
Impairment loss recognised / (reversed)	2,098	590
Closing balance	3,698	1,600

## Ageing of Margin Trading Funding and Trade Receivable as at 31 March 2023

(₹ in lacs)

Particulars	Carrying Amount	Less than 6 months	6 months-1 year	1-2 years	2-3 years	more than 3 years	total
Margin Trading Funding	2,74,757	2,15,999	52,624	6,134	-	-	2,74,757
i) Undisputed -Trade Receivables -considered good	40,727	40,727	-	-	-	-	40,727
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 2022

(₹ in lacs)

Particulars	Carrying Amount	Less than 6 months	6 months-1 year	1-2 years	2-3 years	more than 3 years	total
Margin Trading Funding	3,28,348	2,60,545	67,803	-	-	-	3,28,348
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

## 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 2023

## 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	20	20	-	-	-	20
Payable to Exchanges	-	-	-	-	-	-
Payable to Clients	98,095	98,095	-	-	-	98,095
Other trade payables	76	76	-	-	-	76
Borrowings	5,25,410	5,25,410	-	-	-	5,25,410
Lease Liabilities	6,491	98	131	138	6,123	6,490
Other financial liabilities	2,855	2,766	89	-	-	2,855
Total	6,32,946	6,26,465	220	138	6,123	6,32,946

Details of Commercial Papers matured during the year ended 31 March 2023

(₹ in lacs)

Name	ISIN	Issue Date	Maturity Date	Amount	Rate p.a.	Days	Repayment date
IL&FS MF \ HSL\CP\21-22\065	INE700G14926	05-Oct-21	26-Apr-22	2,420	4.35%	203	26-Apr-22
IL&FS MF \ HSL\CP\21-22\066	INE700G14926	05-Oct-21	26-Apr-22	2,290	4.35%	203	26-Apr-22
IL&FS MF \ HSL\CP\21-22\067	INE700G14926	05-Oct-21	26-Apr-22	2,790	4.35%	203	26-Apr-22
IL&FS MF \ HSL\CP\21-22\068	INE700G14926	05-Oct-21	26-Apr-22	560	4.35%	203	26-Apr-22
IL&FS MF \ HSL\CP\21-22\069	INE700G14926	05-Oct-21	26-Apr-22	1,540	4.35%	203	26-Apr-22
IL&FS MF \ HSL\CP\21-22\070	INE700G14926	05-Oct-21	26-Apr-22	400	4.35%	203	26-Apr-22
IL&FS MF \ HSL\CP\21-22\080	INE700G14AA7	22-Oct-21	21-Apr-22	1,650	4.50%	181	21-Apr-22
IL&FS MF \ HSL\CP\21-22\081	INE700G14AA7	22-Oct-21	21-Apr-22	360	4.50%	181	21-Apr-22
IL&FS MF \ HSL\CP\21-22\082	INE700G14AA7	22-Oct-21	21-Apr-22	430	4.50%	181	21-Apr-22
IL&FS MF \ HSL\CP\21-22\083	INE700G14AA7	22-Oct-21	21-Apr-22	810	4.50%	181	21-Apr-22
IL&FS MF \ HSL\CP\21-22\084	INE700G14AA7	22-Oct-21	21-Apr-22	820	4.50%	181	21-Apr-22
IL&FS MF \ HSL\CP\21-22\085	INE700G14AA7	22-Oct-21	21-Apr-22	930	4.50%	181	21-Apr-22
DSP MF \HSL\CP\21-22\113	INE700G14AR1	27-Dec-21	27-May-22	10,000	4.82%	151	27-May-22
UTI MF\HSL\CP\21-22\0116	INE700G14AS9	07-Jan-22	10-Jun-22	10,000	4.75%	154	10-Jun-22
Aditya Birla MF\HSL\CP\21-22\117	INE700G14AS9	07-Jan-22	10-Jun-22	10,000	4.75%	154	10-Jun-22
Tata MF \HSL\CP\21-22\118	INE700G14AS9	07-Jan-22	10-Jun-22	5,000	4.75%	154	10-Jun-22
Axis MF \HSL\CP\21-22\119	INE700G14AT7	11-Jan-22	05-Apr-22	15,000	4.18%	84	05-Apr-22
ICICI Prudential MF\HSL\CP\21-22\120	INE700G14AU5	20-Jan-22	20-Apr-22	20,000	4.13%	90	20-Apr-22
DSP MF\HSL\CP\21-22\121	INE700G14AU5	20-Jan-22	20-Apr-22	20,000	4.13%	90	20-Apr-22
Kotak Mahindra\HSL\CP\21-22\122	INE700G14AV3	24-Jan-22	25-Apr-22	25,000	4.15%	91	25-Apr-22
UTI MF\HSL\CP\21-22\0123	INE700G14AW1	27-Jan-22	15-Jul-22	5,000	4.74%	169	15-Jul-22
Kotak Mahindra MF \HSL\CP\21- 22\124	INE700G14AW1	27-Jan-22	15-Jul-22	10,000	4.74%	169	15-Jul-22
EDELWISS MF\HSL\CP\21-22\125	INE700G14AX9	28-Jan-22	28-Apr-22	2,500	4.26%	90	28-Apr-22
LARSEN & TOUBRO LTD\HSL\CP\21- 22\128	INE700G14AZ4	03-Feb-22	02-Feb-23	10,000	5.30%	364	02-Feb-23
IDFC MF \HSL\CP\21-22\129	INE700G14BA5	03-Feb-22	29-Apr-22	10,000	4.44%	85	29-Apr-22
L&T Technology Services Ltd\HSL\CP\21-22\130	INE700G14BB3	03-Feb-22	05-May-22	5,000	4.44%	91	05-May-22
SBI MF\HSL\CP\21-22\131	INE700G14AX9	08-Feb-22	28-Apr-22	20,000	4.63%	79	28-Apr-22
Nippon MF \HSL\CP\21-22\132	INE700G14BC1	09-Feb-22	10-May-22	25,000	4.60%	90	10-May-22
MIRAE MF\HSL\CP\21-22\133	INE700G14BD9	15-Feb-22	17-May-22	5,000	4.34%	91	17-May-22
IDFC MF\HSL\CP\21-22\134	INE700G14BD9	15-Feb-22	17-May-22	10,000	4.34%	91	17-May-22
Baroda MF \HSL\CP\21-22\135	INE700G14BE7	22-Feb-22	24-May-22	5,000	4.29%	91	24-May-22
Invesco MF \HSL\CP\21-22\136	INE700G14BE7	22-Feb-22	24-May-22	5,000	4.29%	91	24-May-22
ICICI Prudential MF\HSL\CP\21- 22\137	INE700G14BE7	22-Feb-22	24-May-22	7,500	4.29%	91	24-May-22
IDFC MF\HSL\CP\21-22\138	INE700G14BE7	22-Feb-22	24-May-22	5,000	4.29%	91	24-May-22
ICICI Prudential MF\HSL\CP\21- 22\139	INE700G14BE7	22-Feb-22	24-May-22	7,500	4.29%	91	24-May-22
L&T MF\HSL\CP\21-22\140	INE700G14BE7	22-Feb-22	24-May-22	5,000	4.29%	91	24-May-22
HSBC MF \CP\21-22\141	INE700G14BE7	23-Feb-22	24-May-22	12,500	4.29%	90	24-May-22
Kotak MF\HSL\CP \21-22\142	INE700G14BF4	25-Feb-22	26-May-22	15,000	4.39%	90	26-May-22
Baroda MF \HSL\CP\21-22\143	INE700G14BF4	02-Mar-22	26-May-22	10,000	4.39%	85	26-May-22
UTI MF\HSL\CP\21-22\144	INE700G14BF4	02-Mar-22	26-May-22	10,000	4.39%	85	26-May-22
UTI MF\HSL\CP\21-22\145	INE700G14BG2	03-Mar-22	31-May-22	15,000	4.39%	89	31-May-22
UTI MF\HSL\CP\21-22\146	INE700G14BH0	07-Mar-22	06-Jun-22	15,000	4.45%	91	06-Jun-22
ICICI Prudential MF\HSL\CP\21- 22\147	INE700G14BH0	07-Mar-22	06-Jun-22	7,500	4.45%	91	06-Jun-22
Aditya Birla MF\HSL\CP\21-22\148	INE700G14BJ6	11-Mar-22	07-Jun-22	15,000	4.50%	88	07-Jun-22
Aditya Birla MF\HSL\CP\21-22\149	INE700G14AS9	14-Mar-22	10-Jun-22	10,000	4.50%	88	10-Jun-22
UTI MF\HSL\CP\21-22\150	INE700G14AS9	14-Mar-22	10-Jun-22	10,000	4.50%	88	10-Jun-22
SBI MF\HSL\CP\21-22\151	INE700G14B18	16-Mar-22	14-Jun-22	30,000	4.50%	90	14-Jun-22









(₹ in lacs)

Name	ISIN	Issue Date	Maturity Date	Amount	Rate p.a.	Days	Repayment date
ICICI Prudential MF\HSL\CP\22-23\139	INE700G14EB7	23-Dec-22	24-Mar-23	15,000	7.21%	91	24-Mar-23
Tata MF\HSL\CP\22-23\140	INE700G14EB7	23-Dec-22	24-Mar-23	10,000	7.21%	91	24-Mar-23
Axis MF\HSL\CP\22-23\141	INE700G14EC5	26-Dec-22	27-Mar-23	15,000	7.21%	91	27-Mar-23
UTI MF\HSL\CP\22-23\142	INE700G14EC5	26-Dec-22	27-Mar-23	10,000	7.21%	91	27-Mar-23
UTI MF\HSL\CP\22-23\143	INE700G14EC5	26-Dec-22	27-Mar-23	10,000	7.21%	91	27-Mar-23
Nippon India MF\HSL\CP\22-23\144	INE700G14EA9	26-Dec-22	15-Mar-23	20,000	7.18%	79	15-Mar-23
Aditya Birla MF\HSL\CP\22-23\148	INE700G14DV7	16-Jan-23	09-Mar-23	20,000	6.78%	52	09-Mar-23

**Details of Commercial Papers as at 31 March 2023**

(₹ in lacs)

Name	ISIN	Issue Date	Maturity Date	Amount	Rate p.a.	Days
Invesco MF\HSL\CP\22-23\145	INE700G14ED3	03-Jan-23	03-Apr-23	10,000	7.35%	90
Mirae Asset MF\HSL\CP\22-23\146	INE700G14ED3	03-Jan-23	03-Apr-23	5,000	7.35%	90
EDELWISS MF\HSL\CP\22-23\147	INE700G14EE1	12-Jan-23	10-Apr-23	5,000	7.30%	88
LIC MF\HSL\CP\22-23\149	INE700G14EF8	16-Jan-23	17-Apr-23	15,000	7.43%	91
IDFC MF\HSL\CP\22-23\150	INE700G14EG6	18-Jan-23	19-Apr-23	10,000	7.43%	91
DSP MF\HSL\CP\22-23\151	INE700G14EG6	18-Jan-23	19-Apr-23	5,000	7.43%	91
DSP MF\HSL\CP\22-23\152	INE700G14EG6	18-Jan-23	19-Apr-23	5,000	7.43%	91
SBI MF\HSL\CP\22-23\153	INE700G14EH4	20-Jan-23	21-Apr-23	25,000	7.64%	91
IDFC MF\HSL\CP\22-23\154	INE700G14EI2	30-Jan-23	28-Apr-23	10,000	7.55%	88
IDFC MF\HSL\CP\22-23\155	INE700G14EI2	31-Jan-23	28-Apr-23	5,000	7.55%	87
Mirae Asset MF\HSL\CP\22-23\156	INE700G14EI2	31-Jan-23	28-Apr-23	5,000	7.55%	87
SBI MF\HSL\CP\22-23\157	INE700G14EJ0	31-Jan-23	02-May-23	30,000	7.63%	91
ICICI PRUDENTIAL LIQUID FUND\HSL\CP\22-23\158	INE700G14EK8	06-Feb-23	08-May-23	20,000	7.60%	91
Kotak Liquid Fund\HSL\CP\22-23\159	INE700G14EK8	06-Feb-23	08-May-23	30,000	7.60%	91
TATA MF\HSL\CP\22-23\160	INE700G14EL6	13-Feb-23	15-May-23	40,000	7.62%	91
ICICI PRUDENTIAL LIQUID FUND\HSL\CP\22-23\161	INE700G14EM4	17-Feb-23	19-May-23	15,000	7.59%	91
HSBC Cash Fund\HSL\CP\22-23\162	INE700G14EM4	17-Feb-23	19-May-23	25,000	7.59%	91
ICICI PRUDENTIAL LIQUID FUND\HSL\CP\22-23\163	INE700G14EN2	28-Feb-23	30-May-23	30,000	7.90%	91
NIPPON MF\HSL\CP\22-23\164	INE700G14E00	02-Mar-23	01-Jun-23	20,000	7.90%	91
SBI MF\HSL\CP\22-23\165	INE700G14EP7	13-Mar-23	12-Jun-23	50,000	8.07%	91
HSBC MF\HSL\CP\22-23\166	INE700G14EP7	13-Mar-23	12-Jun-23	25,000	8.07%	91
Invesco MF\HSL\CP\22-23\167	INE700G14EQ5	15-Mar-23	14-Jun-23	10,000	7.90%	91
ADITYA BIRLA MF\HSL\CP\22-23\168	INE700G14EQ5	15-Mar-23	14-Jun-23	10,000	7.90%	91
ICICI Prudential MF\HSL\CP\22-23\169	INE700G14ER3	23-Mar-23	22-Jun-23	25,000	7.80%	91

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	1,41,559	1,41,559			-	1,41,559
Other trade payables	498	498			-	498
Borrowings	4,61,914	4,61,914			-	4,61,914
Lease Liabilities	6,936	155	271	214	6,296	6,936
Other financial liabilities	469	469			-	469
<b>Total</b>	<b>6,11,387</b>	<b>6,04,606</b>	<b>271</b>	<b>214</b>	<b>6,296</b>	<b>6,11,387</b>





(₹ in lacs)

Name	ISIN	Issue Date	Maturity Date	Amount	Rate p.a.	Days	Repayment date
ICICI PRUDENTIAL MF\HSL\CP\21-22\0064	INE700G14918	04-Oct-21	03-Jan-22	5,000	3.98%	91	03-Jan-22
UTI MF\HSL\CP\21-22\0071	INE700G14934	08-Oct-21	07-Jan-22	15,000	3.92%	91	07-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
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	03-Nov-21	02-Feb-22	10,000	4.65%	91	02-Feb-22
Invesco MF\HSL\CP\21-22\0100	INE700G14AK6	08-Dec-21	04-Feb-22	10,000	3.98%	58	04-Feb-22
Nippon MF\HSL\CP\21-22\0090	INE700G14AE9	09-Nov-21	08-Feb-22	20,000	4.62%	91	08-Feb-22
Nippon MF\HSL\CP\21-22\0091	INE700G14AF6	10-Nov-21	09-Feb-22	10,000	4.59%	91	09-Feb-22
L&T Technology ServicesLtd\HSL\CP\21-22\0092	INE700G14AF6	10-Nov-21	09-Feb-22	10,000	4.59%	91	09-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	INE700G14A10	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	02-Mar-22	5,000	4.05%	33	02-Mar-22
Baroda MF \HSL\CP\21-22\126	INE700G14AY7	28-Jan-22	02-Mar-22	15,000	4.05%	33	02-Mar-22
ICICI Prudential MF\HSL\CP\21-22\0098	INE700G14AJ8	03-Dec-21	03-Mar-22	15,000	4.00%	90	03-Mar-22
L&T MF\HSL\CP\21-22\0099	INE700G14AJ8	03-Dec-21	03-Mar-22	10,000	4.00%	90	03-Mar-22
UTI MF\HSL\CP\21-22\0101	INE700G14AL4	13-Dec-21	07-Mar-22	15,000	4.10%	84	07-Mar-22
Aditya Birla MF \HSL\CP\21-22\0102	INE700G14AL4	13-Dec-21	07-Mar-22	15,000	4.10%	84	07-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	INE700G14A08	20-Dec-21	17-Mar-22	20,000	4.27%	87	17-Mar-22
SBI MF\HSL\CP\21-22\106	INE700G14A08	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	05-Oct-21	26-Apr-22	2,420	4.35%	203
IL&FS MF \ HSL\CP\21-22\066	INE700G14926	05-Oct-21	26-Apr-22	2,290	4.35%	203
IL&FS MF \ HSL\CP\21-22\067	INE700G14926	05-Oct-21	26-Apr-22	2,790	4.35%	203
IL&FS MF \ HSL\CP\21-22\068	INE700G14926	05-Oct-21	26-Apr-22	560	4.35%	203
IL&FS MF \ HSL\CP\21-22\069	INE700G14926	05-Oct-21	26-Apr-22	1,540	4.35%	203
IL&FS MF \ HSL\CP\21-22\070	INE700G14926	05-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	05-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
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	07-Jan-22	10-Jun-22	10,000	4.75%	154
Aditya Birla MF\HSL\CP\21-22\117	INE700G14AS9	07-Jan-22	10-Jun-22	10,000	4.75%	154
Tata MF \HSL\CP\21-22\118	INE700G14AS9	07-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	08-Feb-22	28-Apr-22	20,000	4.63%	79
IDFC MF \HSL\CP\21-22\129	INE700G14BA5	03-Feb-22	29-Apr-22	10,000	4.44%	85
L&T Technology Services Ltd\HSL\CP\21-22\130	INE700G14BB3	03-Feb-22	05-May-22	5,000	4.44%	91
Nippon MF \HSL\CP\21-22\132	INE700G14BC1	09-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	03-Feb-22	02-Feb-23	10,000	5.30%	364
Baroda MF \HSL\CP\21-22\143	INE700G14BF4	02-Mar-22	26-May-22	10,000	4.39%	85
UTI MF\HSL\CP\21-22\144	INE700G14BF4	02-Mar-22	26-May-22	10,000	4.39%	85
UTI MF\HSL\CP\21-22\145	INE700G14BG2	03-Mar-22	31-May-22	15,000	4.39%	89
UTI MF\HSL\CP\21-22\146	INE700G14BH0	07-Mar-22	06-Jun-22	15,000	4.45%	91
ICICI Prudential MF\HSL\CP\21- 22\147	INE700G14BH0	07-Mar-22	06-Jun-22	7,500	4.45%	91
Aditya Birla MF\HSL\CP\21-22\148	INE700G14BJ6	11-Mar-22	07-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	INE700G14BI8	16-Mar-22	14-Jun-22	30,000	4.50%	90
ICICI Prudential MF\HSL\CP\21- 22\152	INE700G14BI8	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



### 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 21 June 2019, 14 December 2020, 16 September 2021, 13 January 2022 and on 13 October 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 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	Six years
Options granted to employees and KMP on 14-12-2020	1,67,500	The options granted to the KMPs and employees shall vest in six years from the date of Grant.	Equity settled	Seven 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	Seven 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	Seven years
Options granted to employees and KMP on 13-10-2022	1,18,300	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>4,90,800</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 2023 Share option plan for KMPs and employees	As at 31 March 2022 Share option plan for KMPs and employees
Fair value of options as on grant date (₹)	1529.63 - 1849.18	1870.3 - 2745.84
Share price as on grant date (₹)	6918	6098 - 8051
Exercise price (₹)	6918	6098 - 8051
Expected volatility	44.87% to 49.25%	45.00%
Expected life (expected weighted average life)	3 to 5 years	3 to 6 years
Expected dividends	7.91%	4.91%
Risk-free interest rate (based on government bonds)	7.05% to 7.33%	5.22% to 6.24%
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 2023	31 March 2023	31 March 2022	31 March 2022
<b>(A) Equity-settled Share-based payments:</b>				
Options outstanding as at the beginning of the year	2,53,500	₹5,979	2,28,650	₹5,237
Add: Options granted during the year	1,18,300	₹6,918	1,10,500	₹6,858
Less: Options lapsed / forfeited during the year	10,550	₹6,639	23,250	₹5,445
Less: Options exercised during the year	65,625	₹5,418	62,400	₹5,017
Options outstanding as at the year end	2,95,625	₹6,456	2,53,500	₹5,979
Options exercisable as at the year end	32,250	₹6,105	3,500	₹5,344

**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**

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 2023	31 March 2023	31 March 2022	31 March 2022
<b>(A) Equity-settled Share-based payments:</b>				
Options outstanding as at the beginning of the year	10,94,600	₹1,386	13,93,460	₹1,077
Add: Options granted during the year	-	-	-	-
Less: Options lapsed / forfeited during the year	51,840	₹1,247	51,100	₹1,289
Less: Options exercised during the year	-	-	2,47,760	₹1,214
Options outstanding as at the year end	10,42,760	₹1,392	10,94,600	₹1,386
Options exercisable as at the year end	7,84,500	₹1,446	5,78,900	₹1,493

**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 2023 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 2023	31 March 2022
Broking	80,832	1,15,547
Distribution	33,871	24,665
Interest on Loan	47,978	45,878
Interest income	298	213
Total	1,62,980	1,86,303

## 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.

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 2023 comprises of:

(₹ in lacs)

Particulars	Opening	Addition	Deletion	Closing
Service Tax Demand*	713	-	-	713
Dispute with respect to trades executed**	247	14	-	261
Total	960	14	-	974

## 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
Total	762	198	-	960

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 disputed trades on going with multiple authorities

**Note 47 : Auditors Remuneration**

(₹ in lacs)

Particulars	31 March 2023	31 March 2022
Auditor	37	35
For other services	-	-
For reimbursement of expenses	2	1
<b>Total</b>	<b>39</b>	<b>36</b>

**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 : Capital Work In Progress and Intangible Assets Under Development aging schedule**

(₹ in lacs)

Capital Work In Progress	Amount in Capital Work In Progress for a year ended 31 March 2023				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	47	17	57	10	131
Projects temporarily suspended					-

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

(₹ in lacs)

Capital Work In Progress	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)

Capital Work In Progress	Amount in Capital Work In Progress 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)

Capital Work In Progress	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)

Intangible Assets Under Development	Amount in IAUD for a year ended 31 March 2023				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	2,420	324	-	-	2,743
Projects temporarily suspended					-

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

(₹ in lacs)

Intangible Assets Under Development	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)

Intangible Assets Under Development	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)

Intangible Assets Under Development	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.

### Note 50 : Struck off company

as at 31 March 2023

(₹ 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 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	-	

### Note 51 : Key Ratios

	Particulars	31 March 2023	31 March 2022	Variance Remarks
1	Current Ratio	1.12	1.23	-
2	Debt-Equity Ratio (times)	2.92	2.79	-
3	Debt service coverage ratio (times)	0.25	0.32	-
4	Interest Services Coverage Ratio	4.52	9.45	The decrease is on account of lower profit and higher finance cost as compare to previous year
5	Net Worth (₹ in lacs)	1,79,714	1,65,791	-
6	Net Profit after tax (₹ in lacs)	77,723	98,435	-
7	Earnings per share (Diluted) (₹)	490	622	-
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	0.99	-
13	Total Debts to Total Assets	0.64	0.58	-
14	Return on equity (ROE) ratio	43%	59%	Return on equity has decreased on account of lower profit after tax for year ending 31 March 2023 as compare to year ending 31 March 2022
15	Inventory turnover ratio	-	-	-
16	Trade receivables turnover ratio	4.64	3.93	-
17	Trade payables turnover ratio	1.93	1.40	The trade payable turnover ratio is a liquidity ratio that measures the average number of times a company pays its creditors over an accounting period. The Company is paying it accounts payable at 1.93 times as compare to 1.40 times in previous year

	Particulars	31 March 2023	31 March 2022	Variance Remarks
18	Net capital turnover ratio	29%	32%	-
19	Cost to Income Ratio	45%	34%	The Cost to Income ratio is higher on account of lower profitability as compare to previous year
20	Operating profit ratio	55%	66%	-
21	Net profit ratio	41%	49%	-
22	Return on capital employed	19%	24%	-
23	Return on investment	9%	12%	-

**Explanation**

1	Current Ratio	Current Assets / Current Liabilities
2	Debt-Equity Ratio (times)	Debt (Borrowings) / Equity (Equity Share Capital + Other 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

(₹ in lacs)

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

Particulars	31 March 2023	Within 12 months	After 12 months
<b>ASSETS</b>			
<b>Financial Assets</b>			
Cash and cash equivalents	39,210	39,210	-
Bank Balance other than (4) above	3,11,740	3,11,740	-
Receivables			
Trade Receivables	40,727	37,156	3,571
Loans	2,74,757	2,74,757	-
Investments	1,21,361	42,964	78,397
Other Financial Assets	13,191	11,830	1,361
	8,00,986	7,17,657	83,329
<b>Non-Financial Assets</b>			
Current tax assets (Net)	3,829	-	3,829
Deferred tax Assets (Net)	-	-	-
Investment Property	1,368	-	1,368
Property, Plant and Equipment	8,051	-	8,051
Right-of-use assets	5,487	-	5,487
Capital work-in-progress	131	-	131
Intangible assets under development	2,743	-	2,743
Other Intangible assets	2,908	-	2,908
Other non-financial assets	1,297	1,065	232
	25,815	1,065	24,749
<b>TOTAL ASSETS</b>	<b>8,26,801</b>	<b>7,18,722</b>	<b>1,08,079</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>Financial Liabilities</b>			
Payables			
Trade Payables			
- total outstanding dues of micro enterprises and small enterprises	20	20	-
- total outstanding dues of creditors other than micro enterprises and small enterprises	98,171	98,171	-
Borrowings	5,25,410	5,25,410	-
Lease Liabilities	6,491	98	6,393
Other financial liabilities	2,855	2,766	89
	6,32,946	6,26,465	6,482
<b>Non-Financial Liabilities</b>			
Current tax liabilities (Net)	179	179	-
Provisions	11,055	10,793	262
Deferred tax liabilities (Net)	367	-	367
Other non-financial liabilities	2,538	2,511	27
	14,140	13,483	657
<b>Total Liabilities</b>	<b>6,47,086</b>	<b>6,39,948</b>	<b>7,138</b>
<b>Net</b>	<b>1,79,715</b>	<b>78,774</b>	<b>1,00,940</b>

(₹ in lacs)

Particulars	31 March 2022	Within 12 months	After 12 months
<b>ASSETS</b>			
<b>Financial Assets</b>			
Cash and cash equivalents	1,31,792	1,31,792	-
Bank Balance other than (4) above	2,28,091	2,28,091	-
Receivables			
Trade Receivables	50,586	48,767	1,819
Loans	3,28,348	3,28,348	-
Investments	24,377	21,217	3,160
Other Financial Assets	6,102	5,172	930
	7,69,296	7,63,387	5,909
<b>Non-Financial Assets</b>			
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>7,92,254</b>	<b>7,64,374</b>	<b>27,880</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>Financial Liabilities</b>			
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	1,42,057	1,42,057	-
Borrowings	4,61,914	4,61,914	-
Lease Liabilities	6,936	155	6,781
Other financial liabilities	469	392	77
	6,11,387	6,04,529	6,858
<b>Non-Financial Liabilities</b>			
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	-
	15,075	14,562	514
<b>Total Liabilities</b>	<b>6,26,462</b>	<b>6,19,091</b>	<b>7,372</b>
<b>Net</b>	<b>1,65,792</b>	<b>1,45,283</b>	<b>20,507</b>



**Note 53 : Title deeds of immovable properties****at 31 March 2023**

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 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

**Note 54 : Events after reporting date**

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: 14 April 2023

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: 14 April 2023

**MITUL PALANKAR**  
Company Secretary







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