

August 07, 2023

To, The Manager, Listing Department, BSE Limited, Phiroze Jeejeebhoy Tower, Dalal Street, Mumbai – 400001. BSE Scrip Code: 540776	To, The Manager, Listing Department, The National Stock Exchange of India Ltd., Exchange Plaza, 5th Floor, Plot C/1, G Block, Bandra - Kurla Complex, Bandra (E), Mumbai – 400051. NSE Symbol: 5PAISA
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Sub: Notice of the 16th Annual General Meeting and Annual Report for FY 2022-23:

Dear Sir/Madam,

Pursuant to the provisions of Regulation 34 read with Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the Notice of the 16th Annual General Meeting (“AGM”) of the Company scheduled to be held on Thursday, August 31, 2023 at 02:00 PM IST through Video Conferencing (“VC”)/Other Audio Visual Means (“OAVM”) along with the Annual Report (including Business Responsibility and Sustainability Report) for the Financial Year (“FY”) 2022-23.

The Notice of the 16th AGM and Annual Report for the FY 2022-23 is also hosted on the Company’s website at www.5paise.com.

Kindly take the same on record and oblige.

Thanking You,
Yours faithfully,

For 5paise Capital Limited

Namita Godbole
Company Secretary & Compliance Officer
Membership No.: A21056
Email: csteam@5paise.com

5paise Capital Limited



5paisa Capital Limited

CIN: L67190MH2007PLC289249

Dear Members,

Invitation to attend the Sixteenth (16th) Annual General Meeting on Thursday, August 31, 2023

You are cordially invited to attend the Sixteenth (16th) Annual General Meeting of the Company to be held on Thursday, August 31, 2023 at 02.00 p.m. IST through Video Conferencing ("VC")/ Other Audio-Visual Means ("OAVM"). The notice convening the Annual General Meeting ("AGM") is attached herewith.

In order to enable ease of participation of the Members, we are providing below the key details regarding the meeting for your reference:

Sr. No.	Particulars	Details
1.	Link for live webcast of the Annual General Meeting and for participation through Video Conferencing (VC)	https://www.evotingindia.com/
2.	Link for remote e-voting	https://www.evotingindia.com/
3.	Username and password for VC	Members may attend the AGM through VC by accessing the link https://www.evotingindia.com/ by using the remote e-voting credentials. Please refer the instructions at Note no. 28 of this Notice for further information.
4.	Helpline number for VC participation and e-voting	Contact CDSL Officials by writing an email to helpdesk.evoting@cdslindia.com or call 022- 23058738 and 022-23058542/43.
5.	Cut-off date for e-voting	Thursday, August 24, 2023
6.	Time period for remote e-voting	Commences at 09:00 a.m. IST on Monday, August 28, 2023 and ends at 05:00 p.m. IST on Wednesday, August 30, 2023
7.	Book closure dates	Friday, August 25, 2023, to Thursday, August 31, 2023 (both days inclusive)
8.	Last date for publishing results of the e-voting	Saturday, September 02, 2023
9.	Registrar and Share Transfer Agent contact details	Link Intime India Private Limited C 101, 247 Park, Lal Bahadur Shastri Rd, Surya Nagar, Gandhi Nagar, Vikhroli- West, Mumbai, Maharashtra 400083 Email id: rnt.helpdesk@linkintime.co.in
10.	5paisa's Contact details	Email id: csteam@5paisa.com Tel no: 022- 41035000

Yours Truly,
For 5paisa Capital Limited

Namita Godbole

Company Secretary & Compliance Officer
Membership Number – A21056

Place: Thane
Date: August 07, 2023

**5paisa Capital Limited**

CIN: L67190MH2007PLC289249

Notice

NOTICE IS HEREBY GIVEN THAT THE SIXTEENTH (16TH) ANNUAL GENERAL MEETING ('AGM') OF THE MEMBERS OF 5PAISA CAPITAL LIMITED WILL BE HELD ON THURSDAY, AUGUST 31, 2023 AT 02:00 P.M. (IST) THROUGH VIDEO CONFERENCING ("VC")/OTHER AUDIO-VISUAL MEANS ("OAVM") TO TRANSACT THE FOLLOWING BUSINESSES:

ORDINARY BUSINESS:

- To receive, consider and adopt:
 - The Audited Financial Statement(s) of the Company for the financial year ended March 31, 2023, together with the Reports of the Board of Directors and the Statutory Auditors thereon; and

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

- The Audited Consolidated Financial Statement(s) of the Company for the financial year ended March 31, 2023, together with the Report of the Statutory Auditors thereon.

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

- To appoint a Director in place of Mr. Gourav Munjal (DIN: 06360031), who retires by rotation and being eligible, offers himself for reappointment and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT Mr. Gourav Munjal (DIN: 06360031), who retires by rotation from the Board of Directors pursuant to the provisions of Section 152 of the Companies Act, 2013 and Articles of Association of the Company, and being eligible offers himself for re-appointment, be and is hereby re-appointed as the Director of the Company whose office shall be liable to retirement by rotation."

SPECIAL BUSINESS:

- To approve appointment of Mr. Narayan Gangadhar (DIN: 09298665) as Director of the Company and in this regard, to consider and if thought fit to pass with or without modification(s) the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and other relevant Rules made thereunder, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "SEBI Listing Regulations") and any other applicable laws [including any statutory amendment(s), modification(s), variation(s) or re-enactment(s) thereto, for the time being in force], the relevant provisions of the Articles of Association of the Company and pursuant to the recommendation of the Nomination & Remuneration Committee and approval of the Board of Directors of the Company, Mr. Narayan Gangadhar (DIN: 09298665), who was appointed as an Additional Director of the Company, with effect from July 13, 2023 till the ensuing annual general meeting, be and is hereby appointed as a Director of the Company.

RESOLVED FURTHER THAT the Board of Directors and/or the Company Secretary of the Company be and are hereby authorized to do all such acts, deeds, matters and things as may be deemed necessary, proper or desirable for the purpose of giving effect to this Resolution."

- To approve appointment and remuneration of Mr. Narayan Gangadhar (DIN: 09298665), Chief Executive Officer, as the Managing Director of the Company and in this regard, to consider and if thought fit to pass with or without modification(s) the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 178, 196, 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with the Companies (Appointment

Notice (Contd.)

and Remuneration of Managerial Personnel) Rules, 2014, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "SEBI Listing Regulations") and such other rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), the relevant provisions of the Articles of Association of the Company, and pursuant to the recommendation of the Nomination & Remuneration Committee and approval of the Board of Directors of the Company and all applicable guidelines issued by the Central Government from time to time, consent of the members of the Company be and is hereby accorded for the appointment of Mr. Narayan Gangadhar (DIN: 09298665) as the Managing Director of the Company (liable to retire by rotation) for the period for a period of 5 years w.e.f. July 13, 2023 and on the terms and conditions including remuneration as mentioned below:

A. Period of appointment:

5 years w.e.f. July 13, 2023 with the liberty to either party to terminate the appointment on three months' notice in writing to the other.

B. Remuneration:

Basic Salary: ₹ 25,89,500/- (Rupees Twenty Five Lakhs Eighty Nine Thousand Five Hundred Only) per month.

C. Perquisites:**Category (A):**

1. Housing: Rent Free Accommodation or House Rent Allowance of ₹ 2,22,000/- (Rupees Two Lakhs Twenty-Two Thousand Only) per month.
2. Medical Reimbursement for self and family as per the rules of the Company.
3. Contribution of ₹ 2,50,000/- (Rupees Two Lakhs Fifty Thousand only) towards Non-profit organizations.
4. Leave Travel Assistance as per the rules of the Company.
5. Other perquisites as per Service Rules of the Company.

Category (B):

1. Contribution to Provident Fund, Superannuation Fund, Annuity Fund or Gratuity as per the rules of the Company.

2. Encashment of leave as per the rules of the Company

The said perquisites and allowances shall be evaluated, wherever applicable, as per the provisions of the Income Tax Act, 1961 or any rules made thereunder or any statutory modification(s) or re-enactment thereof.

Category (C):

Car, telephone and mobile phone for use on Company's business.

1. Increment: Board / Nomination and Remuneration Committee can determine the remuneration on an annual basis subject to increment not exceeding 25% p.a. of basic salary, allowances and perquisites.
2. Remuneration: He shall be paid remuneration as permissible under the Companies Act, 2013 and as determined by the Board / Nomination & Remuneration Committee from time to time.
3. Subject as aforesaid, the Managing Director shall be governed by such other Rules as are applicable to the Senior Executives of the Company from time to time.
4. The Company has in place the Employee Stock Option Scheme (ESOP) and as per the ESOP Scheme, Mr. Narayan Gangadhar will be eligible for grant of ESOPs, as may be considered by the Board/Nomination and Remuneration Committee from time to time.
5. The aggregate of the remuneration and perquisites as aforesaid in any Financial Year shall not exceed the limit from time to time under Section 197, Section 198 and other applicable provisions of the Act and Rules made thereunder, read with Schedule V of the said Act or any statutory modification(s) or re-enactment thereof for the time being in force, or otherwise as may be permissible at law.
6. When in any Financial Year, the Company has no profits or its profits are inadequate, the remuneration including the perquisites as aforesaid will be paid to Mr. Narayan Gangadhar in accordance with the applicable provisions of Schedule V of the Act, and subject to the approval of the Central Government, if required.

Notice (Contd.)

7. The Nomination & Remuneration Committee will review and recommend the remuneration payable to the Managing Director during the tenure of his appointment.
8. Mr. Narayan Gangadhar shall be liable to retire by rotation.

RESOLVED FURTHER THAT for the purpose of giving effect to the aforesaid resolution, the Board of Directors and/or the Company Secretary of the Company be and are hereby authorized to do all such acts, deeds and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in the said regard.”

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

“**RESOLVED THAT** pursuant to the provisions of Regulation 23 and all other applicable provisions, if any of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter called “Listing Regulations”), and the Company’s policy on materiality of Related Party Transaction(s), and all applicable provisions of the Companies Act, 2013 (hereinafter called “Act”) and Rules made there under, (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to the consent of the Audit Committee and Board of Directors of the Company vide resolutions passed in their respective meetings held on May 01, 2023, the consent and approval of the Company be and is hereby accorded to the Board of Directors (“the Board” which term shall be deemed to include a Committee of the Board) to enter into arrangements/ transactions/ contracts with IIFL Facilities Services Limited, a Related Party as defined in Listing Regulations, relating to transactions as detailed in the explanatory statement, on such terms and conditions as the Board in its absolute discretion may deem fit PROVIDED HOWEVER THAT the aggregate amount/value of all such arrangements/ transactions/contracts that may be entered into by the Company with IIFL Facilities Services Limited and remaining outstanding at any one point in time shall not exceed the limit as prescribed in the table provided in the Explanatory statement below, for a period up to the 17th Annual General Meeting of the Company to be held in the year 2024, wherein fresh approval of the shareholders shall be obtained in this regard;

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary, expedient or desirable including any negotiation /renegotiation/ modification/ ratification/ amendments to or termination thereof, of the subsisting arrangements/ transactions/ contracts or any future arrangements/ transactions/ contracts and to make or receive/pay monies or to perform all other obligations in terms of such arrangements/transaction/ contracts, filing of necessary forms/documents with the appropriate authorities and to execute all such deeds, documents, agreements, letters, instruments and writings as it may in its sole and absolute discretion deem necessary or expedient and to settle any question, difficulty or doubt that may arise in regard thereto.”

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

“**RESOLVED THAT** pursuant to the provisions of Regulation 23 and all other applicable provisions, if any of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter called “Listing Regulations”), and the Company’s policy on materiality of Related Party Transaction(s), and all applicable provisions of the Companies Act, 2013 (hereinafter called “Act”) and Rules made there under, (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to the consent of the Audit Committee and Board of Directors of the Company vide resolutions passed in their respective meetings held on May 01, 2023, the consent and approval of the Company be and is hereby accorded to the Board of Directors (“the Board” which term shall be deemed to include a Committee of the Board) to enter into arrangements/ transactions/ contracts with IIFL Finance Limited, a Related Party as defined in Listing Regulations, relating to transactions as detailed in the explanatory statement, on such terms and conditions as the Board in its absolute discretion may deem fit PROVIDED HOWEVER THAT the aggregate amount/value of all such arrangements/transactions/ contracts that may be entered into by the Company with IIFL Finance Limited and remaining outstanding at any one point in time shall not exceed the limit as prescribed in the table provided in the Explanatory statement below, for a period up to the 17th Annual General Meeting of the Company to be held in the year 2024, wherein fresh approval of the shareholders shall be obtained in this regard;

Notice (Contd.)

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary, expedient or desirable including any negotiation/ renegotiation/ modification/ ratification/ amendments to or termination thereof, of the subsisting arrangements/ transactions/ contracts or any future arrangements/ transactions/ contracts and to make or receive/ pay monies or to perform all other obligations in terms of such arrangements/ transaction/ contracts, filing of necessary forms/ documents with the appropriate authorities and to execute all such deeds, documents, agreements, letters, instruments and writings as it may in its sole and absolute discretion deem necessary or expedient and to settle any question, difficulty or doubt that may arise in regard thereto."

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

"**RESOLVED THAT** pursuant to the provisions of Regulation 23 and all other applicable provisions, if any of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter called "the Listing Regulations"), and the Company's policy on materiality of Related Party Transaction(s), and all applicable provisions of the Companies Act, 2013 (hereinafter called "Act") and Rules made there under, (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to the consent of the Audit Committee and Board of Directors of the Company vide resolutions passed in their respective meetings held on May 01, 2023, the consent and approval of the Company be and is hereby accorded to the Board of Directors ("the Board" which term shall be deemed to include a Committee of the Board) to enter into arrangements/ transactions/ contracts with IIFL Management Services Limited, a Related Party as defined in Listing Regulations, relating to transactions as detailed in the explanatory statement, on such terms and conditions as the Board in its absolute discretion may deem fit PROVIDED HOWEVER THAT the aggregate amount/ value of all such arrangements/ transactions/ contracts that may be entered into by the Company with IIFL Management Services Limited and remaining outstanding at any one point in time shall not exceed the limit as prescribed in the table provided in the Explanatory statement below, for a period up to the 17th Annual General Meeting of the Company to be held in the year 2024, wherein fresh approval of the shareholders shall be obtained in this regard;

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary, expedient or desirable including any negotiation /renegotiation/ modification/ ratification/ amendments to or termination thereof, of the subsisting arrangements/ transactions/ contracts or any future arrangements/ transactions/ contracts and to make or receive/ pay monies or to perform all other obligations in terms of such arrangements/ transaction/ contracts, filing of necessary forms/ documents with the appropriate authorities and to execute all such deeds, documents, agreements, letters, instruments and writings as it may in its sole and absolute discretion deem necessary or expedient and to settle any question, difficulty or doubt that may arise in regard thereto."

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

"**RESOLVED THAT** pursuant to the provisions of Regulation 23 and all other applicable provisions, if any of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter called "Listing Regulations"), and the Company's policy on materiality of Related Party Transaction(s), and all applicable provisions of the Companies Act, 2013 (hereinafter called "Act") and Rules made there under, (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to the consent of the Audit Committee and Board of Directors of the Company vide resolutions passed in their respective meetings held on May 01, 2023, the consent and approval of the Company be and is hereby accorded to the Board of Directors ("the Board" which term shall be deemed to include a Committee of the Board) to enter into arrangements/ transactions/ contracts with IIFL Securities Limited, a Related Party as defined in Listing Regulations, relating to transactions as detailed in the explanatory statement, on such terms and conditions as the Board in its absolute discretion may deem fit PROVIDED HOWEVER THAT the aggregate amount/ value of all such arrangements/ transactions/ contracts that may be entered into by the Company with IIFL Securities Limited and remaining outstanding at any one point in time shall not exceed the limit as prescribed in the table provided in the Explanatory statement below, for a period up to the 17th Annual General Meeting of the Company to be held in the year 2024, wherein fresh approval of the shareholders shall be obtained in this regard;

Notice (Contd.)

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary, expedient or desirable including any negotiation/ renegotiation/ modification/ ratification/ amendments to or termination thereof, of the subsisting arrangements/ transactions/ contracts or any future arrangements/ transactions/ contracts and to make or receive/ pay monies or to perform all other obligations in terms of such arrangements/ transaction/ contracts, filing of necessary forms/ documents with the appropriate authorities and to execute all such deeds, documents, agreements, letters, instruments and writings as it may in its sole and absolute discretion deem necessary or expedient and to settle any question, difficulty or doubt that may arise in regard thereto.”

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

“**RESOLVED THAT** pursuant to the provisions of Regulation 23 and all other applicable provisions, if any of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter called “Listing Regulations”), and the Company’s policy on materiality of Related Party Transaction(s), and all applicable provisions of the Companies Act, 2013 (hereinafter called “Act”) and Rules made there under, (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to the consent of the Audit Committee and Board of Directors of the Company vide resolutions passed in their respective meetings held on May 01, 2023, the consent and approval of the Company be and is hereby accorded to the Board of Directors (“the Board” which term shall be deemed to include a Committee of the Board) to enter into arrangements/ transactions/ contracts with IIFL Samasta Finance Limited, a Related Party as defined in Listing Regulations, relating to transactions as detailed in the explanatory statement, on such terms and conditions as the Board in its absolute discretion may deem fit PROVIDED HOWEVER THAT the aggregate amount/ value of all such arrangements/ transactions/ contracts that may be entered into by the Company with IIFL Samasta Finance Limited and remaining outstanding at any one point in time shall not exceed the limit as prescribed in the table provided in the Explanatory statement below, for a period up to the 17th Annual General Meeting of the Company to be held in the year 2024, wherein fresh approval of the shareholders shall be obtained in this regard;

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary, expedient or desirable including any negotiation/ renegotiation/ modification/ ratification/ amendments to or termination thereof, of the subsisting arrangements/ transactions/ contracts or any future arrangements/ transactions/ contracts and to make or receive/ pay monies or to perform all other obligations in terms of such arrangements/ transaction/ contracts, filing of necessary forms/ documents with the appropriate authorities and to execute all such deeds, documents, agreements, letters, instruments and writings as it may in its sole and absolute discretion deem necessary or expedient and to settle any question, difficulty or doubt that may arise in regard thereto.”

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

“**RESOLVED THAT** pursuant to the provisions of Regulation 23 and all other applicable provisions, if any of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter called “Listing Regulations”), and the Company’s policy on materiality of Related Party Transaction(s), and all applicable provisions of the Companies Act, 2013 (hereinafter called “Act”) and Rules made there under, (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to the consent of the Audit Committee and Board of Directors of the Company vide resolutions passed in their respective meetings held on May 01, 2023, the consent and approval of the Company be and is hereby accorded to the Board of Directors (“the Board” which term shall be deemed to include a Committee of the Board) to enter into arrangements/ transactions/ contracts with IIFL Wealth Prime Limited (Formerly Known as IIFL Wealth Finance Limited), a Related Party as defined in Listing Regulations, relating to transactions as detailed in the explanatory statement, on such terms and conditions as the Board in its absolute discretion may deem fit PROVIDED HOWEVER THAT the aggregate amount/ value of all such arrangements/ transactions/ contracts that may be entered into by the Company with IIFL Wealth Prime Limited (Formerly Known as IIFL Wealth Finance Limited) and remaining outstanding at any one point in time shall not exceed the limit as prescribed in the table provided in the Explanatory statement below, for a period up to the 17th Annual

Notice (Contd.)

General Meeting of the Company to be held in the year 2024, wherein fresh approval of the shareholders shall be obtained in this regard;

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary, expedient or desirable including any negotiation/ renegotiation/ modification/ ratification/ amendments to or termination thereof, of the subsisting arrangements/ transactions/ contracts or any future arrangements/ transactions/ contracts and to make or receive/ pay monies or to perform all other obligations in terms of such arrangements/ transaction/ contracts, filing of necessary forms/ documents with the appropriate authorities and to execute all such deeds, documents, agreements, letters, instruments and writings as it may in its sole and absolute discretion deem necessary or expedient and to settle any question, difficulty or doubt that may arise in regard thereto.”

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

“**RESOLVED THAT** pursuant to the provisions of Regulation 23 and all other applicable provisions, if any of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter called “Listing Regulations”), and the Company’s policy on materiality of Related Party Transaction(s), and all applicable provisions of the Companies Act, 2013 (hereinafter called “Act”) and Rules made there under, (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to the consent of the Audit Committee and Board of Directors of the Company vide resolutions passed in their respective meetings held on May 01, 2023, the consent and approval of the Company be and is hereby accorded to the Board of Directors (“the Board” which term shall be deemed to include a Committee of the Board) to enter into arrangements/ transactions/ contracts with IIFL Home Finance Limited, a Related Party as defined in Listing Regulations, relating to transactions as detailed in the explanatory statement, on such terms and conditions as the Board in its absolute discretion may deem fit PROVIDED HOWEVER THAT the aggregate amount/ value of all such arrangements/ transactions/ contracts that may be entered into by the Company with IIFL Home Finance Limited and remaining outstanding at any one point in time shall not exceed the limit as prescribed in the table provided in the Explanatory

statement below, for a period up to the 17th Annual General Meeting of the Company to be held in the year 2024, wherein fresh approval of the shareholders shall be obtained in this regard;

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary, expedient or desirable including any negotiation/ renegotiation/ modification/ ratification/ amendments to or termination thereof, of the subsisting arrangements/ transactions/ contracts or any future arrangements/ transactions/ contracts and to make or receive/ pay monies or to perform all other obligations in terms of such arrangements/ transaction/ contracts, filing of necessary forms/ documents with the appropriate authorities and to execute all such deeds, documents, agreements, letters, instruments and writings as it may in its sole and absolute discretion deem necessary or expedient and to settle any question, difficulty or doubt that may arise in regard thereto.”

12. To approve material related party transactions with Livlong Insurance Brokers Limited (Formerly known as IIFL Insurance Brokers Limited) and in this regard, to consider and if thought fit to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Regulation 23 and all other applicable provisions, if any of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter called “Listing Regulations”), and the Company’s policy on materiality of Related Party Transaction(s), and all applicable provisions of the Companies Act, 2013 (hereinafter called “Act”) and Rules made there under, (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to the consent of the Audit Committee and Board of Directors of the Company vide resolutions passed in their respective meetings held on May 01, 2023, the consent and approval of the Company be and is hereby accorded to the Board of Directors (“the Board” which term shall be deemed to include a Committee of the Board) to enter into arrangements/ transactions/ contracts with Livlong Insurance Brokers Limited (Formerly known as IIFL Insurance Brokers Limited), a Related Party as defined in Listing Regulations, relating to transactions as detailed in the explanatory statement, on such terms and conditions as the Board in its absolute discretion may deem fit PROVIDED HOWEVER THAT the aggregate amount/ value of all such arrangements/ transactions/ contracts that may be entered into by

Notice (Contd.)

the Company with Livlong Insurance Brokers Limited (Formerly known as IIFL Insurance Brokers Limited) and remaining outstanding at any one point in time shall not exceed the limit as prescribed in the table provided in the Explanatory statement below, for a period up to the 17th Annual General Meeting of the Company to be held in the year 2024, wherein fresh approval of the shareholders shall be obtained in this regard;

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary, expedient or desirable including any negotiation/ renegotiation/ modification/ ratification/ amendments to or termination thereof, of the subsisting arrangements/ transactions/ contracts or any future arrangements/ transactions/ contracts and to make or receive/ pay monies or to perform all other obligations in terms of such arrangements/ transaction/ contracts, filing of necessary forms/ documents with the appropriate authorities and to execute all such deeds, documents, agreements, letters, instruments and writings as it may in its sole and absolute discretion deem necessary or expedient and to settle any question, difficulty or doubt that may arise in regard thereto.”

13. To approve material related party transactions with 360 ONE WAM Limited (Formerly known as IIFL Wealth Management Limited) and in this regard, to consider and if thought fit to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Regulation 23 and all other applicable provisions, if any of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter called “Listing Regulations”), and the Company’s policy on materiality of Related Party Transaction(s), and all applicable provisions of the Companies Act, 2013 (hereinafter called “Act”) and Rules made there under, (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to the consent of the Audit Committee and Board of Directors of the Company vide resolutions passed in their respective meetings held on May 01, 2023, the consent and approval of the Company be and is hereby accorded to the Board of Directors (“the Board” which term shall be deemed to include a Committee of the Board) to enter into arrangements/ transactions/ contracts with 360 ONE WAM Limited (Formerly known as IIFL Wealth Management Limited), a Related Party as defined in Listing Regulations, relating to transactions as detailed in the explanatory statement, on such terms and conditions as the Board in its absolute discretion

may deem fit PROVIDED HOWEVER THAT the aggregate amount/ value of all such arrangements/ transactions/ contracts that may be entered into by the Company with 360 ONE WAM Limited (Formerly known as IIFL Wealth Management Limited), and remaining outstanding at any one point in time shall not exceed the limit as prescribed in the table provided in the Explanatory statement below, for a period up to the 17th Annual General Meeting of the Company to be held in the year 2024, wherein fresh approval of the shareholders shall be obtained in this regard;

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary, expedient or desirable including any negotiation/ renegotiation/ modification/ ratification/ amendments to or termination thereof, of the subsisting arrangements/ transactions/ contracts or any future arrangements/ transactions/ contracts and to make or receive/ pay monies or to perform all other obligations in terms of such arrangements/ transaction/ contracts, filing of necessary forms/ documents with the appropriate authorities and to execute all such deeds, documents, agreements, letters, instruments and writings as it may in its sole and absolute discretion deem necessary or expedient and to settle any question, difficulty or doubt that may arise in regard thereto.”

14. To approve material related party transactions with 5paisa P2P Limited and in this regard, to consider and if thought fit to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Regulation 23 and all other applicable provisions, if any of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter called “Listing Regulations”), and the Company’s policy on materiality of Related Party Transaction(s), and all applicable provisions of the Companies Act, 2013 (hereinafter called “Act”) and Rules made there under, (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to the consent of the Audit Committee and Board of Directors of the Company vide resolutions passed in their respective meetings held on May 01, 2023, the consent and approval of the Company be and is hereby accorded to the Board of Directors (“the Board” which term shall be deemed to include a Committee of the Board) to enter into arrangements/ transactions/ contracts with 5paisa P2P Limited, a Related Party as defined in Listing Regulations, relating to transactions as detailed in the explanatory statement, on such terms

Notice (Contd.)

and conditions as the Board in its absolute discretion may deem fit PROVIDED HOWEVER THAT the aggregate amount/ value of all such arrangements/ transactions/ contracts that may be entered into by the Company with 5paisa P2P Limited and remaining outstanding at any one point in time shall not exceed the limit as prescribed in the table provided in the Explanatory statement below, for a period up to the 17th Annual General Meeting of the Company to be held in the year 2024, wherein fresh approval of the shareholders shall be obtained in this regard;

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary, expedient or desirable including any negotiation/ renegotiation/ modification/ ratification/ amendments to or termination thereof, of the subsisting arrangements/ transactions/ contracts or any future arrangements/ transactions/ contracts and to make or receive/ pay monies or to perform all other obligations in terms of such arrangements/ transaction/ contracts, filing of necessary forms/ documents with the appropriate authorities and to execute all such deeds, documents, agreements, letters, instruments and writings as it may in its sole and absolute discretion deem necessary or expedient and to settle any question, difficulty or doubt that may arise in regard thereto.”

15. To approve material related party transactions with 5paisa Trading Limited and in this regard, to consider and if thought fit to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Regulation 23 and all other applicable provisions, if any of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter called “Listing Regulations”), and the Company’s policy on materiality of Related Party Transaction(s), and all applicable provisions of the Companies Act, 2013 (hereinafter called “Act”) and Rules made there under, (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to the consent of the Audit Committee and Board of Directors of the Company vide resolutions passed in their respective meetings held on May 01, 2023, the consent and approval of the Company be and is hereby accorded to the Board of Directors (“the Board” which term shall be deemed to include a Committee of the Board) to enter into arrangements/ transactions/ contracts with 5paisa Trading Limited, a Related Party as defined in Listing Regulations, relating to transactions as detailed in

the explanatory statement, on such terms and conditions as the Board in its absolute discretion may deem fit PROVIDED HOWEVER THAT the aggregate amount/ value of all such arrangements/ transactions/ contracts that may be entered into by the Company with 5Paisa Trading Limited and remaining outstanding at any one point in time shall not exceed the limit as prescribed in the table provided in the Explanatory statement below, for a period up to the 17th Annual General Meeting of the Company to be held in the year 2024, wherein fresh approval of the shareholders shall be obtained in this regard;

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary, expedient or desirable including any negotiation/ renegotiation/ modification/ ratification/ amendments to or termination thereof, of the subsisting arrangements/ transactions/ contracts or any future arrangements/ transactions/ contracts and to make or receive/ pay monies or to perform all other obligations in terms of such arrangements/ transaction/ contracts, filing of necessary forms/ documents with the appropriate authorities and to execute all such deeds, documents, agreements, letters, instruments and writings as it may in its sole and absolute discretion deem necessary or expedient and to settle any question, difficulty or doubt that may arise in regard thereto.”

16. To approve material related party transactions with 5paisa Corporate Services Limited (Formerly known as 5paisa Insurance Brokers Limited) and in this regard, to consider and if thought fit to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Regulation 23 and all other applicable provisions, if any of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter called “Listing Regulations”), and the Company’s policy on materiality of Related Party Transaction(s), and all applicable provisions of the Companies Act, 2013 (hereinafter called “Act”) and Rules made there under, (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to the consent of the Audit Committee and Board of Directors of the Company vide resolutions passed in their respective meetings held on May 01, 2023, the consent and approval of the Company be and is hereby accorded to the Board of Directors (“the Board” which term shall be deemed to include a Committee of the Board) to enter into arrangements/ transactions/ contracts with 5paisa Corporate Services Limited (Formerly known as 5paisa Insurance Brokers Limited),

Notice (Contd.)

a Related Party as defined in Listing Regulations, relating to transactions as detailed in the explanatory statement, on such terms and conditions as the Board in its absolute discretion may deem fit PROVIDED HOWEVER THAT the aggregate amount/ value of all such arrangements/ transactions/ contracts that may be entered into by the Company with 5paisa Corporate Services Limited (Formerly known as 5paisa Insurance Brokers Limited) and remaining outstanding at any one point in time shall not exceed the limit as prescribed in the table provided in the Explanatory statement below, for a period up to the 17th Annual General Meeting of the Company to be held in the year 2024, wherein fresh approval of the shareholders shall be obtained in this regard;

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary, expedient or desirable including any negotiation/ renegotiation/ modification/ ratification/ amendments to or termination thereof, of the subsisting arrangements/ transactions/ contracts or any future arrangements/ transactions/ contracts and to make or receive/ pay monies or to perform all other obligations in terms of such arrangements/ transaction/ contracts, filing of necessary forms/ documents with the appropriate authorities and to execute all such deeds, documents, agreements, letters, instruments and writings as it may in its sole and absolute discretion deem necessary or expedient and to settle any question, difficulty or doubt that may arise in regard thereto.”

17. To approve material related party transactions with 5paisa International Securities (IFSC) Limited and in this regard, to consider and if thought fit to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Regulation 23 and all other applicable provisions, if any of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter called “Listing Regulations”), and the Company’s policy on materiality of Related Party Transaction(s), and all applicable provisions of the Companies Act, 2013 (hereinafter called “Act”) and Rules made there under, (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to the consent of the Audit Committee and Board of Directors of the Company vide resolutions passed in their respective meetings held on May 01, 2023, the consent and approval of the Company be and is hereby accorded to the Board of Directors (“the Board” which term

shall be deemed to include a Committee of the Board) to enter into arrangements/ transactions/ contracts with 5paisa International Securities (IFSC) Limited, a Related Party as defined in Listing Regulations, relating to transactions as detailed in the explanatory statement, on such terms and conditions as the Board in its absolute discretion may deem fit PROVIDED HOWEVER THAT the aggregate amount/ value of all such arrangements/ transactions/ contracts that may be entered into by the Company with 5paisa International Securities (IFSC) Limited and remaining outstanding at any one point in time shall not exceed the limit as prescribed in the table provided in the Explanatory statement below, for a period up to the 17th Annual General Meeting of the Company to be held in the year 2024, wherein fresh approval of the shareholders shall be obtained in this regard;

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary, expedient or desirable including any negotiation/ renegotiation/ modification/ ratification/ amendments to or termination thereof, of the subsisting arrangements/ transactions/ contracts or any future arrangements/ transactions/ contracts and to make or receive/ pay monies or to perform all other obligations in terms of such arrangements/ transaction/ contracts, filing of necessary forms/ documents with the appropriate authorities and to execute all such deeds, documents, agreements, letters, instruments and writings as it may in its sole and absolute discretion deem necessary or expedient and to settle any question, difficulty or doubt that may arise in regard thereto.”

18. To approve payment of remuneration by way of Commission to Non-Executive Directors including Independent Directors up to 1% (one percent) of Net Profit of the Company and to consider and if thought fit, to pass, the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of section 149, 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 (Act), as amended from time to time, Regulation 17(6) and other applicable Regulation, if any of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (hereinafter called “the Listing Regulation”), consent of the Company be and is hereby accorded to the payment of remuneration by way of commission to the sum not exceeding 1% (one percent) per annum of the net profits of the Company calculated in accordance with the provisions of section 198 of the Act, be paid to and distributed amongst the Non-Executive Director including

Notice (Contd.)

Independent Director of the Company in such amounts or proportions and in such manner and in all respects as may be directed by the Board of Directors (hereinafter referred to as "the Board", which term shall be deemed to include any Committee constituted by the Board thereof) and such payments shall be made in respect of the profits of the Company for each year commencing April 1, 2023;

RESOLVED FURTHER THAT the above commission shall be in addition to fees payable to the Director(s) for attending the meetings of the Board or Committee thereof or for any other purpose whatsoever as may be decided by the Board of Directors and reimbursement of expenses for participation in the Board and other meetings;

RESOLVED FURTHER THAT the Board of the Company be and is hereby authorised severally to do all such acts, deeds, matters and things including deciding on the manner of payment of commission and settle all questions or difficulties that may arise with regard to the aforesaid resolution as it may deem fit and to execute any agreements, documents, instructions, etc. as may be necessary or desirable in connection with or incidental to give effect to the aforesaid resolution."

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

"RESOLVED THAT pursuant to the provisions of Section 42, 71 and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter called "Act") read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and subject to the provisions of the Articles of Association of the Company and SEBI (Issue and Listing of Debt Securities) Regulations, 2008, and other applicable regulations as may be amended and applicable from time to time, approval of the members be and is hereby accorded to the Board of Directors of the Company to offer or invite subscriptions for secured/ unsecured redeemable non-convertible debentures, in one or more series/ tranches, up to ₹ 250 Crores (Rupees Two Hundred and Fifty Crores only), on private placement basis, from such persons and on such terms and conditions as the Board of Directors of the Company may, from time to time, determine and consider proper and more beneficial to the Company including, without limitation, as to when the said Debentures are to be issued, the consideration for the issue, mode of payment, coupon rate, redemption period, utilization of the issue proceeds and all matters connected therewith or incidental thereto;

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

20. To approve increase the limits of borrowing u/s 180(1)(c) of the Companies Act, 2013 and in this regard, to consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT in supersession to earlier special resolution dated March 02, 2017 and pursuant to Section 180 (1)(c) and any other applicable provision of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) and the Articles of Association of the Company, the consent of the members be and is hereby accorded to borrow moneys in excess of the aggregate of the paid up share capital, free reserves and Securities premium of the Company, provided that the total amount borrowed and outstanding at any point of time, apart from temporary loans obtained/to be obtained from the Company's Bankers in the ordinary course of business, shall not be in excess of ₹ 2,500 Crores (Rupees Two Thousand Five Hundred Crores) over and above the aggregate of the paid-up share capital, free reserves and Securities premium of the Company and that the Board be and is hereby empowered and authorized to arrange or fix the terms and conditions of all such monies to be borrowed from time to time as to interest, repayment, security or otherwise as it may think fit.

RESOLVED FURTHER THAT any Director of the Company and/or Company Secretary of the Company be and are hereby authorized to submit a Certified True Copy of this Resolution to such persons/ entities as may be deemed fit for the purpose of giving effect to this resolution."

21. To approve increase the limit u/s 180(1)(a) of the Companies Act, 2013 and in this regard, to consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT in supersession to earlier Special resolution dated March 02, 2017 and pursuant to Section 180(1)(a) and any other applicable provision of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) and the Articles of Association of the Company, the consent of the Members be and is hereby accorded to mortgage and/or charge, by the Company, in such form and manner and with such ranking and at such time and on such terms as

Notice (Contd.)

the Board may determine, on all or any of the moveable and/or immovable properties of the Company, both present and future and/or the whole or any part of the undertaking(s) of the Company together with the power to take over the management of the business and concern of the Company in certain events of default, in favour of the Lender(s), Agent(s) and Trustee(s)/ Trustee(s), for securing the borrowings availed/ to be availed by the Company and/or any of the Company's holding/ subsidiary/ affiliate/ associate company, by way of loan(s) (in foreign currency and/or rupee currency) and Securities (comprising fully/partly Convertible Debentures and/or Non-Convertible Debentures with or without detachable or non-detachable Warrants and/ or secured premium notes and/or floating rates notes/ bonds or other debt instruments), issued/to be issued by the Company, from time to time, subject to the limits approved under Section 180(1)(c) of the Companies Act, 2013, together with interest at the respective agreed rates, additional interest, compound interest in case of default, accumulated interest, liquidated damages, commitment charges, premia on prepayment, remuneration of the Agent(s)/ Trustees, premium (if any) on redemption, all other costs, charges and expenses, including any increase as a result of devaluation/ revaluation/ fluctuation in the rates of exchange and all other monies payable by the Company in terms of the Loan Agreement(s)/ Heads of Agreement(s), Debenture Trust Deed(s) or any other document, entered into/to be entered into between the Company and the Lender(s)/ Agent(s) and Trustee(s)/ Trustee(s), in respect of the said loans/borrowings/ debentures and containing such specific terms and conditions and covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to between the Board of Directors or Committee thereof and the Lender(s)/ Agent(s) and Trustee(s)/ Trustee(s).

RESOLVED FURTHER THAT any Directors of the Company and/or Company Secretary of the Company be and are hereby authorized to give effect to this resolution, finalize, settle and execute such documents/ deeds/ writings/ papers/ agreements as may be required and to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to creating mortgages/charges as aforesaid."

22. To consider and approve adoption of 5Paisa Capital Limited Employee Stock Options Scheme named 5Paisa ESOS – 2023, and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT approval be and is hereby granted to "5Paisa Capital Limited Employee Stock Options Scheme

named 5Paisa ESOS – 2023", tabled at the meeting and initialled by the Chairman for identification.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board, Nomination and Remuneration Committee (NRC) or any Committee of the Board is hereby authorised to do all such deeds, matters and things and execute all such deeds documents and writings as it may in its absolute discretion deem necessary and incur expenses in relation thereto.

RESOLVED FURTHER THAT shares may be allotted in accordance with the Scheme, directly to the employees or through a Trust which may be set up to enable the employees/Trust to acquire, purchase or subscribe to the shares of "5paisa Capital Limited" (or "the Company").

RESOLVED FURTHER THAT the Board, Nomination and Remuneration Committee (NRC) or any committee of the Board be and is hereby authorised to settle all questions, difficulties or doubts that may arise in relation to the implementation of the Plans, including to amend or modify any terms thereof in accordance with and subject to all applicable SEBI guidelines, without being required to seek any further approval or consent of the members.

RESOLVED FURTHER THAT the Plan be operated by the Board, Nomination and Remuneration Committee (NRC) or any committee of the Board such that the total number of shares issued do not exceed Twenty-Lakhs (20,00,000) shares in "5Paisa Capital Limited Employee Stock Options Scheme named 5Paisa ESOS – 2023" in amounting to around 6.50% of the issued and subscribed share capital of the Company'.

**By Order of the Board of Directors
For 5paisa Capital Limited**

Namita Godbole

Company Secretary &
Compliance Officer
ACS - 21056

Registered Office:

IIFL House, Sun Infotech Park,
Road No. 16V, Plot No. B-23,
Thane Industrial Area,
Wagle Estate, Thane -400604
CIN: L67190MH2007PLC289249

Date: August 07, 2023
Place: Thane

e-mail: csteam@5paisa.com
Telephone No. - 022-41035000

Notice (Contd.)

NOTES:

1. The Ministry of Corporate Affairs, Government of India ("MCA") issued General Circular No's. 14/2020, 17/2020, 20/2020, 02/2021, 19/2021, 21/2021, 02/2022 and 10/2022 dated April 8, 2020, April 13, 2020, May 5, 2020, January 13, 2021, December 8, 2021, December 14, 2021, May 5, 2022 and December 28, 2022 respectively, ("MCA Circulars") allowing, *inter-alia*, conduct of AGMs through Video Conferencing/ Other Audio-Visual Means ("VC/ OAVM") facility on or before September 30, 2023, in accordance with the requirements provided in paragraphs 3 and 4 of the MCA General Circular No. 20/2020. The Securities and Exchange Board of India ("SEBI") also vide its Circular No. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 5, 2023 ("SEBI Circular") has provided certain relaxations from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements Regulations, 2015 ("Listing Regulations")). In compliance with these Circulars, provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the 16th AGM of the Company is being conducted through VC/ OAVM facility, which does not require physical presence of members at a common venue.
2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 ("the Act") read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India ("ICSI") and Regulation 44 of Listing Regulations (as amended), and MCA Circulars as amended, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited ("CDSL") for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL. For further details, please read the note number 28.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1,000 members on first come first served basis. The large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. shall attend the AGM without restriction.
4. Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
5. Since the AGM will be held through VC/OAVM, the route map of the venue of the Meeting is not annexed hereto.
6. Pursuant to section 105 of Companies Act, 2013, a Member is entitled to attend and vote at the AGM is entitled to appoint proxy to attend and vote on his/her behalf and the proxy need not be a member of the Company. Since, this AGM is being held through VC/OAVM, the physical attendance has been dispensed with. Accordingly, the facility for appointment of proxies by the members to attend and cast vote is not available for this AGM and therefore Proxy Form and Attendance Slip are not annexed to this notice. However, in pursuance of Section 112 and Section 113 of the Act, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
7. In line with the Ministry of Corporate Affairs ("MCA") Circulars, the Notice calling the AGM along with Annual Report 2022-23 is being sent only through electronic mode to those members whose e-mail address is registered with the Company or the Depository Participant(s). Members may note that the Notice of AGM along with Annual Report has also been uploaded on the website of the Company at www.5paisa.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM i.e. www.evotingindia.com). Members (Physical/ Demat) who have not registered their email addresses with the company can get the same registered with the company by requesting to our Registrar and Share Transfer Agent i.e. Link Intime India Private Limited ("RTA/ Linkintime") at rnt.helpdesk@linkintime.co.in and to company at csteam@5paisa.com.
8. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Act read with MCA Circulars and SEBI Circulars.
9. An explanatory statement pursuant to Section 102(1) of the Act, relating to the Special Businesses to be transacted at the Meeting is annexed hereto.

Notice (Contd.)

10. The business set out in the Notice will be transacted through electronic voting system and the Company is providing facility for voting by electronic means. Instructions and other information relating to e-voting are given in this Notice under Note No. 28.
11. Institutional/ Corporate Shareholders (i.e. other than Individuals/ HUF, NRI etc.) intending to attend the meetings through their authorized representatives are requested to send a scanned copy of certified true copy of the Board Resolution to the Company authorizing their representative to attend the AGM through VC/ OAVM on their behalf and to vote through e-voting, pursuant to Section 113 of the Act. The said Resolution/Authorization shall be sent to csteam@5paisa.com
12. In terms of Section 152 of the Companies Act, 2013, Mr. Gourav Munjal (DIN: 06360031), is liable to retire by rotation at the Meeting and being eligible, offers himself for re-appointment and the Board of Directors of the Company recommends his re-appointment. Mr. Gourav Munjal (DIN: 06360031), is not related to any of the Directors of the Company. Brief resume and nature of his expertise in specific functional areas are provided in Corporate Governance report. Names of companies in which he holds directorships and memberships/ chairmanships of Board Committees and shareholding is provided under the explanatory statement.
13. Pursuant to Regulation 36(3) of Listing Regulations and Secretarial Standard-2 issued by The Institute of Company Secretaries of India, in respect of the Appointment of Auditors and Directors seeking appointment/ re-appointment forms an integral part of the Notice. Requisite declarations have been received from Auditors and Directors seeking appointment/ re-appointment.
14. M/s. V. Sankar Aiyar & Co, Chartered Accountants (Firm Registration No. 109208W), were re-appointed as Statutory Auditors of the Company for a second term of five consecutive years at the Annual General Meeting ("AGM") of the Members held on July 11, 2022 on a remuneration mutually agreed upon by the Board of Directors and the Statutory Auditors.

Pursuant to the amendments made to Section 139 of the Companies Act, 2013 by the Company (Amendment) Act, 2017, the requirement of seeking ratification of the Members for the appointment of the Statutory Auditors has been withdrawn from the Statute.

In view of the above, ratification by the Members for continuance of their appointment at this AGM is not being sought. The Statutory Auditors have given a confirmation to the effect that they are eligible to continue with their appointment and that they have not been disqualified in any manner from continuing as Statutory Auditors.
15. Notice is also given under section 91 of the Companies Act, 2013 read with regulation 42 of the Listing Regulations that the Register of Members and the Share Transfer Book of the Company will remain closed from Friday, August 25, 2023 to Thursday, August 31, 2023 (both days inclusive).
16. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013 and all other documents referred to in the Notice shall be available for inspection in electronic mode. Members can inspect the same by sending an email to csteam@5paisa.com.
17. Share transfer documents and all correspondence relating thereto, should be addressed to Registrar & Share Transfer Agent (RTA) at C101, 247 Park, L.B.S Marg, Vikhroli West, Mumbai - 400083 or at their designated email id i.e. rnt.helpdesk@linkintime.co.in.
18. Members holding shares in dematerialised form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they have maintaining demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to RTA/ Company at rnt.helpdesk@linkintime.co.in and csteam@5paisa.com.
19. The Company, consequent upon the introduction of the Depository System ('DS'), entered into agreements with National Securities Depository Limited ('NSDL') and Central Depository Services (India) Limited ("CDSL"). The Members, therefore, have the option of holding and dealing in the shares of the Company in dematerialized form through NSDL or CDSL.
20. SEBI, vide its Circular No. SEBI/LAD-NRO/ GN/2018/24 dated June 8, 2018, amended Regulation 40 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to which after December 5, 2018, transfer of securities could not be processed unless the securities are held in the dematerialized form with a depository. The said deadline was extended by Securities and Exchange Board of India ("SEBI") to March 31, 2019. Members holding shares in physical form are requested to dematerialize their holdings at the earliest as it will not be possible to

Notice (Contd.)

transfer shares held in physical mode as per extension of the deadline announced by SEBI.

21. The DS envisages elimination of several problems involved in the scrip-based system such as bad deliveries, fraudulent transfers, mutilation of share certificates, etc. Simultaneously, Depository System offers several advantages like exemption from stamp duty on transfer of shares, elimination of concept of market lot, elimination of bad deliveries, reduction in transaction costs, improved liquidity, etc.
22. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
23. The Securities and Exchange Board of India ("SEBI") has mandated the submission of Permanent Account Number "PAN" by every participant in securities market. Members holding shares in dematerialised form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/ Link Intime.
24. As per Regulation 40(7) of the Listing Regulations read with Schedule VII to the said Regulations, for registration of transfer of shares, the transferee(s) as well as transferor(s) shall mandatorily furnish copies of their Income Tax Permanent Account Number (PAN) Card. Additionally, for securities market transactions and / or for off market / private transactions involving transfer of shares in physical mode for listed Companies, it shall be mandatory for the transferee(s) as well as transferor(s) to furnish copies of PAN Card to the Company / RTA for registration of such transfer of shares. In case of transmission of shares held in physical mode, it is mandatory to furnish a copy of the PAN Card of the legal heir(s) / Nominee(s). In exceptional cases, the transfer of physical shares is subject to the procedural formalities as prescribed under SEBI Circular No. SEBI/HO/MIRSD/DOS3/CIR/P/2018/139 dated November 6, 2018.
25. Pursuant to Section 72 of the Companies Act, 2013, Members are entitled to make a nomination in respect of shares held by them. Members desirous of making a nomination, pursuant to the Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014 are requested to send their requests in Form No. SH- 13, to the Registrar and Transfer Agent of the Company. Further, Members

desirous of cancelling/varying nomination pursuant to the Rule 19(9) of the Companies (Share Capital and Debentures) Rules, 2014, are requested to send their requests in Form No. SH-14, to the Registrar and Transfer Agent of the Company. These forms will be made available on request.

26. The Company has designated an exclusive e-mail ID csteam@5paisa.com to redress shareholders' complaints/grievances. In case you have any queries/complaints or grievances, then please write to us at csteam@5paisa.com.
27. Members desirous of asking any questions at the Annual General Meeting are requested to send in their questions to reach the Company at least 7 days before the Annual General Meeting so that the same can be suitably replied.

Members can raise questions during the meeting or in advance at csteam@5paisa.com. However, it is requested to raise the queries precisely and in short at the time of meeting to enable to answer the same.

28. The information and instructions for shareholders for remote e-voting are as under:

In compliance with the provisions of Regulation 44 of the Listing Regulations, Sections 108 and 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 (as amended), MCA Circulars and the SS-2, the Company is providing a facility to all its members to enable them to cast their vote on the matters listed in this Notice by electronic means (e-voting). The e-voting facility is provided by Central Depository Services Limited ("CDSL"). The instructions of shareholders for remote e-voting are as under:

- (i) The voting period begins on Monday, August 28, 2023 at 09:00 AM and ends on Wednesday, August 30, 2023 at 5:00 PM. During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Thursday, August 24, 2023 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 09, 2020, under Regulation 44 of the Listing Regulations, listed entities are required to provide remote

Notice (Contd.)

e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/ retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having

to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- (iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 09, 2020 on e-Voting facility provided by Listed Companies, individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email ID in their demat accounts in order to access e-voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-voting and joining virtual meetings for individual shareholders holding Equity shares of the Company in Demat mode is given below:

Type of shareholders	Login Method
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Individual Shareholders holding securities in Demat mode with CDSL Depository	<ol style="list-style-type: none"> 1) Users who have opted for CDSL Easi/Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login to Easi/Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab. 2) After successful login the Easi/Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-voting is in progress and also able to directly access the system of all e-Voting Service Providers.
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Notice (Contd.)

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL Depository	<p>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>
Individual Shareholders holding securities in demat mode) through their Depository Participants (DP)	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting (holding option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>

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

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

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

Notice (Contd.)

(v) **Login method for e-Voting and joining virtual meetings for Physical shareholders and shareholders other than individual holding in Demat form:**

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

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

PAN Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)

- Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.

Dividend Bank Account Details Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.

OR

Date of Birth (DOB)

- If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.

- (vi) After entering these details appropriately, click on "SUBMIT" tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the Electronic Voting Sequence Number (EVSN) of 5paisa Capital Limited.
- (x) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xii) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

Notice (Contd.)

(xvi) There is also an optional provision to upload BR/ POA if any uploaded, which will be made available to scrutinizer for verification.

(xvii) Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
- It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; csteam@5paisa.com (designated email address by company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

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

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least seven (7) days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at csteam@5paisa.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance seven (7) days prior to meeting mentioning their name, demat account number/ folio number, email id, mobile number at csteam@5paisa.com. These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders may be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

Notice (Contd.)**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/ MOBILE NUMBER ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES:**

1. For Physical shareholders - please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to Company/RTA email id.
2. For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP).
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository

Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

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

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Deborshi Choudhury, Deputy Manager Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call toll free no. 1800 22 55 33.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF COMPANIES ACT, 2013 TO THE ACCOMPANYING NOTICE

Item No. 3 & 4

The Board of Directors of the Company, based on the recommendations of Nomination & Remuneration Committee and pursuant to the provisions of the Companies Act, 2013 ("the Act") read with the Articles of Association of the Company, had approved the appointment of Mr. Narayan Gangadhar (DIN: 09298665), Chief Executive Officer, as an Additional Director and Managing Director of the Company with effect from July 13, 2023 at its meeting held on July 12, 2023.

The Company has received notice in writing under the provisions of Section 160 of the Act, from a Member proposing candidature of Mr. Narayan Gangadhar for the office of Director. The Company has received from Mr. Narayan Gangadhar, his consent to act as a Director of the Company along with a declaration to the effect that he is not disqualified from being appointed as a Director in terms of Section 164(2) of the Companies Act, 2013 and has not been debarred or disqualified from being appointed or continuing as Director of a company by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

In accordance with provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the appointment of a Director shall be subject to the approval of members and such approval of members must be obtained at the next general meeting or within a time of three months from the date of appointment, whichever is earlier.

A brief profile of Mr. Narayan Gangadhar is given below:

Mr. Narayan Gangadhar has over two-decades of experience, mostly with global tech giants, based out of San Francisco Bay Area in the US. Mr. Narayan Gangadhar was the Head of Engineering at Uber managing over 1,000 innovators, building core engineering platforms, core APIs and cloud solutions to help Uber's operations in over 500 cities across the world. Earlier, Mr. Narayan Gangadhar was a Senior Director at Google helming the cloud engineering and infrastructure domains, where he was responsible for all external facing cluster computing products as well as in charge of backend infrastructure. Mr. Narayan Gangadhar also worked with Amazon as Director of Engineering, where he built Amazon Relational Database Service. He started his career with Microsoft and worked in various engineering roles. Most recently Mr. Narayan Gangadhar was CEO of Angel Broking. Currently, Mr. Narayan Gangadhar is the CEO of our company w.e.f. May 25, 2023. Mr. Narayan Gangadhar is a Bachelor of Engineering from Mumbai University and a Master in Computer Science from Worcester Polytechnic Institute.

In view of the above, it is proposed to obtain approval of the Members by way of Ordinary Resolution as mentioned in Item no. 4 of the Notice for appointment of Mr. Narayan Gangadhar

as Managing Director for a period of five (5) years from July 13, 2023 to July 12, 2028 and for the remuneration payable to him.

The Nomination & Remuneration Committee and Board of Directors of the Company at their Meetings held on July 12, 2023 respectively have *inter alia* recommended the above Resolutions for approval of the Members by means of Ordinary Resolutions.

The details of Mr. Narayan Gangadhar pursuant to the Listing Regulations and SS-2, are attached to the Notice.

The Board considers it in the interest of the Company to appoint Mr. Narayan Gangadhar as Managing Director of the Company and accordingly recommends the passing of the resolutions contained in Item Nos. 3 & 4 of the accompanying Notice as Ordinary Resolutions.

None of the Directors, Key Managerial Personnel of the Company or their relatives except Mr. Narayan Gangadhar are, in any way, concerned or interested, financially or otherwise, in the Ordinary Resolutions at Items Nos. 3 & 4.

Item No. 5 to 17

As per the provisions of Section 188 of the Companies Act, 2013 ("Act"), transactions with related parties which are on an arm's length basis and in the ordinary course of business, are exempted from the obligation of obtaining prior approval of shareholders. However, such transactions, if material, require the approval of shareholders through a resolution, notwithstanding the fact that the same are at an arm's length basis and in the ordinary course of business, as per the requirements of the provisions of Regulation 23(4) of the Listing Regulations.

As per the amendment to clause (zc) of Regulation 2(1) read with the proviso to Regulation 23(1) of the Listing Regulations, which are effective from April 01, 2022, the transactions involving transfer of resources, services or obligations between a listed entity or any of its subsidiaries on one hand and a related party of the listed entity or any of its subsidiaries on the other hand will be considered as "related party transactions", and as "material related party transactions", if the transaction to be entered into individually or taken together with previous transactions during a financial year, exceeds ₹ 1,000 crore or 10% of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity, whichever is lower. Further, such material related transaction shall require prior approval of shareholders through resolution and no related party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not.

The Shareholders at the Annual General Meeting held on Monday, July 11, 2022 had approved the material related party transactions for FY 2022-2023 and the same shall be valid till March 31, 2023. However, pursuant to the amended

Notice (Contd.)

regulations, prior approval of shareholders is required in case of transactions to be held for FY 2023-24 and hence the resolutions at Item No. 05 to 17 of this notice for the approval of shareholders till the 16th Annual General Meeting of the company to be held in the year 2023 wherein fresh approval of the shareholders shall be obtained in this regard.

The Company and/ or its subsidiaries lends/borrows funds from its group entities from time to time including IIFL Finance Limited, 360 ONE WAM Limited (Formerly known as IIFL Wealth Management Limited), IIFL Wealth Prime Limited (Formerly "IIFL Wealth Finance Limited"), IIFL Home Finance Limited, Livlong Insurance Brokers Limited (Formerly, IIFL Insurance Brokers Limited), IIFL Samasta Finance Limited, IIFL Securities Limited, IIFL Management Services Limited,

IIFL Facilities Services Limited, 5paisa P2P Limited, 5paisa Corporate Services Limited (Formerly known as "5paisa Insurance Brokers Limited"), 5paisa Trading Limited and 5paisa International Securities (IFSC) Limited and as when there is requirement of funds for working capital needs. The said transactions are in ordinary course of business and at arms' length and duly approved by the Audit Committee and the Board of the Directors.

The Company and / or its subsidiaries may be required to enter into contracts and / or transactions and / or arrangements, as stated in the resolution at Item Nos. 05 to 17, during FY 2023-24, at an arm's length basis and in the ordinary course of business and the details of the same are as follows:

Sr No	Name of the Company	Type/ Particulars of transactions	Justification	Percentage of annual consolidated turnover	Maximum Outstanding Limits for 2022-23 approved by Share holders	Proposed Limits for 2023-24 to be approved by Shareholders (please refer note below table)
1 IIFL Securities Limited Group Companies						
a)	IIFL Facilities Services Limited	Inter-Corporate Deposits/ Guarantee Taken	For working capital Requirement	168%	₹ 500 Crores	₹ 500 Crores
		Inter-Corporate Deposits/ Guarantee Given	For working capital Requirement	134%	₹ 400 Crores	₹ 400 Crores
		Arrangement of Cost allocation expense/Reimbursement of expense/Advisory & specific overhead expenses – Received	Sharing of premises - common office & business related expenses	2%	₹ 5 Crores	₹ 5 Crores
		Arrangement of Cost Allocation/ Reimbursement of expenses/ Advisory & Specific overhead expenses – Paid	Sharing of premises - common office & business related expenses	2%	₹ 7 Crores	₹ 7 Crores
		Rental Agreement with IIFL Facilities Services Limited and IIFL Securities Limited	Sharing of common premises	2%	₹ 5 Crores	₹ 5 Crores
b)	Livlong Insurance Brokers Limited (Formerly IIFL Insurance Brokers Limited)	Inter-Corporate Deposits/ Guarantee Taken	For working capital Requirement	34%	₹ 100 Crores	₹ 100 Crores
		Inter-Corporate Deposits/ Guarantee Given	For working capital Requirement	67%	₹ 200 Crores	₹ 200 Crores
		Marketing Support Fees/ Commission & Brokerage/ Service fees/Referral/Arranger Fee or any other cross sell Income	Cross Selling of products	3%	₹ 10 Crores	₹ 10 Crores

Notice (Contd.)

Sr No	Name of the Company	Type/ Particulars of transactions	Justification	Percentage of annual consolidated turnover	Maximum Outstanding Limits for 2022-23 approved by Share holders	Proposed Limits for 2023-24 to be approved by Shareholders (please refer note below table)
c)	IIFL Management Services Limited	Inter-Corporate Deposits/ Guarantee Taken	For working capital Requirement	67%	₹ 200 Crores	₹ 200 Crores
		Inter-Corporate Deposits/ Guarantee Given	For working capital Requirement	67%	₹ 200 Crores	₹ 200 Crores
d)	IIFL Securities Limited	Arrangement of Cost allocation expense/Reimbursement of expense/Advisory & specific overhead expenses – Received	Sharing of premises - common office & business related expenses	3%	₹ 10 Crores	₹ 10 Crores
		Arrangement of Cost Allocation/ Reimbursement of expenses/ Advisory & Specific overhead expenses – Paid	Sharing of premises - common office & business related expenses	10%	₹ 30 Crores	₹ 30 Crores
		Rental Agreement with IIFL Facilities Services Limited and IIFL Securities Limited	Sharing of common premises	2%	₹ 5 Crores	₹ 5 Crores
		Marketing Support Fees/ Commission & Brokerage/ Service fees/Referral/Arranger Fee or any other cross sell Income	Cross Selling of products	3%	₹ 10 Crores	₹ 10 Crores
e)	Other IIFL Securities Group Companies	Inter-Corporate Deposits/ Guarantee Taken	For working capital Requirement	-	Limits as per SEBI (LODR) Regulations 2015	Limits as per SEBI (LODR) Regulations 2015
		Inter-Corporate Deposits/ Guarantee Given	For working capital Requirement	-	Limits as per SEBI (LODR) Regulations 2015	Limits as per SEBI (LODR) Regulations 2015
		Arrangement of Cost allocation expense/Reimbursement of expense/Advisory & specific overhead expenses – Received	Common office & business related expenses	-	Limits as per SEBI (LODR) Regulations 2015	Limits as per SEBI (LODR) Regulations 2015
		Arrangement of Cost Allocation/ Reimbursement of expenses/ Advisory & Specific overhead expenses – Paid	Common office & business related expenses	-	Limits as per SEBI (LODR) Regulations 2015	Limits as per SEBI (LODR) Regulations 2015
		Rental Agreement with IIFL Facilities Services Limited and IIFL Securities Limited	Sharing of common premises	1%	₹ 2 Crores	₹ 2 Crores
		Marketing Support Fees/ Commission & Brokerage/ Service fees/Referral/Arranger Fee or any other cross sell Income	Cross Selling of products	3%	Limits as per SEBI (LODR) Regulations 2015	₹ 10 Crores

Notice (Contd.)

Sr No	Name of the Company	Type/ Particulars of transactions	Justification	Percentage of annual consolidated turnover	Maximum Outstanding Limits for 2022-23 approved by Share holders	Proposed Limits for 2023-24 to be approved by Shareholders (please refer note below table)
2 IIFL Finance & its Group Companies						
a)	IIFL Finance Limited	Inter-Corporate Deposits/ Guarantee Taken	For working capital Requirement	201%	₹ 600 Crores	₹ 600 Crores
		Inter-Corporate Deposits/ Guarantee Given	For working capital Requirement	134%	₹ 400 Crores	₹ 400 Crores
		Term Loan / Working Capital Demand loan /Take guarantee or Security in connection with Loan or Bank guarantee	For working capital Requirement	67%	-	₹ 200 Crores
		Arrangement of Cost allocation expense/Reimbursement of expense/Advisory & specific overhead expenses – Received	Common office & business related expenses	2%	₹ 5 Crores	₹ 5 Crores
		Arrangement of Cost Allocation/ Reimbursement of expenses/ Advisory & Specific overhead expenses – Paid	Common office & business related expenses	2%	₹ 5 Crores	₹ 5 Crores
		Marketing Support Fees/ Commission & Brokerage/ Service fees/Referral/Arranger Fee or any other cross sell Income	Cross Selling of products	5%	₹ 10 Crores	₹ 15 Crores
b)	IIFL Home Finance Limited	Inter-Corporate Deposits/ Guarantee Taken	For working capital Requirement	134%	₹ 400 Crores	₹ 400 Crores
		Inter-Corporate Deposits/ Guarantee Given	For working capital Requirement	134%	₹ 400 Crores	₹ 400 Crores
		Arrangement of Cost Allocation/ Reimbursement of expenses/ Advisory & Specific overhead expenses – Paid	Common office & business related expenses	1%	₹ 2 Crores	₹ 2 Crores
		Marketing Support Fees/ Commission & Brokerage/ Service fees/Referral/Arranger Fee or any other cross sell Income	Cross Selling of products	3%	₹ 10 Crores	₹ 10 Crores
c)	Samasta Microfinance Limited	Inter-Corporate Deposits/ Guarantee Taken	For working capital Requirement	134%	₹ 400 Crores	₹ 400 Crores
		Inter-Corporate Deposits/ Guarantee Given	For working capital Requirement	134%	₹ 400 Crores	₹ 400 Crores

Notice (Contd.)

Sr No	Name of the Company	Type/ Particulars of transactions	Justification	Percentage of annual consolidated turnover	Maximum Outstanding Limits for 2022-23 approved by Share holders	Proposed Limits for 2023-24 to be approved by Shareholders (please refer note below table)
d)	Other IIFL Finance Group Companies	Inter-Corporate Deposits/ Guarantee Given	For working capital Requirement		Limits as per SEBI (LODR) Regulations, 2015	Limits as per SEBI (LODR) Regulations, 2015
		Arrangement of Cost allocation expense/Reimbursement of expense/Advisory & specific overhead expenses – Received	Common office & business related expenses	2%	₹ 10 Crores	₹ 5 Crores
		Arrangement of Cost Allocation/ Reimbursement of expenses/ Advisory & Specific overhead expenses – Paid	Common office & business related expenses	1%	₹ 2 Crores	₹ 2 Crores
		Marketing Support Fees/ Commission & Brokerage/ Service fees/Referral/Arranger Fee or any other cross sellIncome	Cross Selling of products	3%	Limits as per SEBI (LODR) Regulations, 2015	₹ 10 Crores
3	360 ONE WAM Limited & its Group Companies					
a)	360 ONE WAM Limited (Formerly IIFL Wealth Management Limited)	Inter-Corporate Deposits/ Guarantee Taken	For working capital Requirement	101%	₹ 300 Crores	₹ 300 Crores
		Inter-Corporate Deposits/ Guarantee Given	For working capital Requirement	134%	₹ 400 Crores	₹ 400 Crores
		Arrangement of Cost allocation expense/Reimbursement of expense/Advisory & specific overhead expenses – Received	Common office & business related expenses	-	Limits as per SEBI (LODR) Regulations 2015	Limits as per SEBI (LODR) Regulations 2015
		Arrangement of Cost Allocation/ Reimbursement of expenses/ Advisory & Specific overhead expenses – Paid	Common office & business related expenses	-	Limits as per SEBI (LODR) Regulations 2015	Limits as per SEBI (LODR) Regulations 2015
		Marketing Support Fees/ Commission & Brokerage/ Service fees/Referral/Arranger Fee or any other cross sell Income	Cross Selling of products	-	Limits as per SEBI (LODR) Regulations 2015	Limits as per SEBI (LODR) Regulations 2015
b)	IIFL Wealth Prime Limited	Inter-Corporate Deposits/ Guarantee Taken	For working capital Requirement	101%	₹ 300 Crores	₹ 300 Crores
		Inter-Corporate Deposits/ Guarantee Given	For working capital Requirement	134%	₹ 400 Crores	₹ 400 Crores
c)	Other IIFL Wealth Group Companies	Inter-Corporate Deposits/ Guarantee Taken	For working capital Requirement	-	Limits as per SEBI (LODR) Regulations 2015	Limits as per SEBI (LODR) Regulations 2015
		Inter-Corporate Deposits/ Guarantee Given	For working capital Requirement	-	Limits as per SEBI (LODR) Regulations 2015	Limits as per SEBI (LODR) Regulations 2015

Notice (Contd.)

Sr No	Name of the Company	Type/ Particulars of transactions	Justification	Percentage of annual consolidated turnover	Maximum Outstanding Limits for 2022-23 approved by Share holders	Proposed Limits for 2023-24 to be approved by Shareholders (please refer note below table)
4	Subsidiaries of 5paisa Capital Limited					
	a. 5paisa P2P Limited					
	b. 5paisa Corporate Services Limited (formerly known as 5paisa Insurance Brokers Limited)					
	c. 5paisa Trading Limited					
	d. 5paisa international Securities (IFSC) Limited					
		Inter-Corporate Deposits/ Guarantee Taken	For working capital Requirement	-	₹ 10 Crores	Limits as per SEBI (LODR) Regulations 2015
		Inter-Corporate Deposits/ Guarantee Given	For working capital Requirement	34%	100 Crores	₹ 100 Crores
		Term Loan / Working Capital Demand loan/ Take guarantee or Security in connection with Loan or Bank guarantee	For working capital Requirement	3%	-	₹ 10 Crores
		Arrangement of Cost allocation expense/ Reimbursement of expense/ Advisory & specific overhead expenses – Received	Common office & business related expenses	2%	₹ 5 Crores	₹ 5 Crores
		Arrangement of Cost Allocation/ Reimbursement of expenses/ Advisory & Specific overhead expenses - Paid	Common office & business related expenses	1%	₹ 2 Crores	₹ 2 Crores
		Marketing Support Fees/ Commission & Brokerage/ Service fees/Referral/Arranger Fee or any other cross sell Income	Cross Selling of products	-	Limits as per SEBI (LODR) Regulations 2015	Limits as per SEBI (LODR) Regulations 2015

- Guest House Facility Agreement with IIFL Management Services Limited (Owner of Guest House):**

Arrangement: Provision of the facility of the guest house for IIFL employees at various locations.

Pricing: The rent payable by the service receivers to IIFL Management Services Limited for Guest house shall be ₹ 5,000 per room per day or ₹ 3,000 Per Bed per day as per actual – Maximum upto ₹ 50 Lakhs.

Methodology: The charge is based on similar facilities provided in the same location.

- Brokerage /Delayed Payin Income/DP Income/MTF Interest/upfront & trail commission & Others (transactions in stock exchanges) from Its subsidiaries, KMP's, Directors & their Relatives:**

Arrangement: 5paisa Capital Limited will charge Brokerage /Delayed Payin Income/DP Income/MTF interest & Other charges to its KMP's, Directors & their Relatives and all other related parties for trading account maintain with 5paisa Capital Limited.

Methodology: On arm's length basis at prevailing rate charged to other clients.

Notice (Contd.)

• **Guarantee or Security given by promoters in connection with Loan or Bank guarantee:**

Arrangement: Guarantee or security given by promoter on behalf of 5paisa Capital limited by Pledging shares/Mutual fund/ or any other investment/personal guarantee in connection with loan or Bank guarantee availed by 5paisa Capital Limited.

Methodology: On arm's length basis.

* Note: Maximum Outstanding Intercompany- Deposit taken from all group companies together will not exceed ₹ 600 Crores at any given point of time. Further, all these transactions are balance sheet item and only interest paid on this ICD will be in profit and loss.

** Note: Maximum Outstanding Intercompany- Deposit given to all group companies together will not exceed 500 Cr at any given point of time.

NOTE 1: The additional details pertaining to the Inter Corporate Deposits (ICD's) to be given by the Company w.r.t the above material related party transactions are as follows:

a) Terms of ICD given:

aa) ICD being short term facility (unsecured) is comparable with Cash credit rates hence pricing for ICD given in particular financial year shall be determined on SBI 1 year MCLR + Credit spread and the same shall be repayable on demand.

ab) Pricing:

SBI 1 year MCLR* + Credit spread of 250 to 350 basis point shall be applicable on all ICD transaction during the year.

*Note

- MCLR rate prevailing on beginning of quarter shall be considered.

- Credit spread can be reviewed during the year if required.

b) The source of funds for grant of ICD's will be 5paisa owned liquid net-worth funds.

c) No financial indebtedness will be incurred to make or give ICD.

d) The funds will be utilized for working capital requirement by the ultimate beneficiary of such funds.

e) The proposed material related party transactions for FY 2023-24 are based on the copy of "Certificates for Related Party Transactions" issued by M/s. Kamlesh P Mehta Associates, Chartered Accountants for quarter ended June 2022, September 2022, December 2022 and March 2023. The Shareholders may acquire the same by dropping an email at csteam@5paisa.com post which the copy of the report will be sent to the shareholders at their registered email ids.

These transactions, during the financial year 2023-24, between the Company and / or its subsidiaries on one side and the related parties as mentioned above, separately on the other side, may exceed the revised threshold of "material related party transactions" under the SEBI Listing Regulations i.e. ₹ 1,000 crore or 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company for the Financial Year ending March 31, 2023, whichever is lower. All these transactions will be executed at an arm's length basis and in the ordinary course of business of the Company and / or its subsidiaries. The approval of the shareholders is valid till the 16th Annual General meeting of the company to be held in the year 2023 and it is proposed to take a fresh approval of the shareholders in this regard.

With respect to the above matter, the Shareholders/Members are requested to note the following disclosures of Interest:

S. No.	Name of Related Party	Nature of Interest or Concern
1.	IIFL Securities Limited (IIFL SEC)	Mr. Nirmal Jain is a promoter and Mr. Venkataraman Rajamani is promoter and Managing Director of IIFL SEC. Mr. Nirmal Jain and Mr. Venkataraman Rajamani both hold along with their relatives & persons acting in concert 9,51,43,214 equity shares i.e. 31.14% in IIFL SEC.

Notice (Contd.)

S. No.	Name of Related Party	Nature of Interest or Concern
2.	IIFL Facilities Services Limited (IFSL)	Mr. Nirmal Jain and Mr. Venkataraman Rajamani are promoters of IIFL SEC and IFSL is a Wholly-Owned Subsidiary of IIFL SEC.
3.	Livlong Insurance Brokers Limited (LIBL)	Mr. Nirmal Jain and Mr. Venkataraman Rajamani are promoters of IIFL SEC and LIBL is a Wholly-Owned Subsidiary of IIFL SEC. Together they hold 200 equity shares as nominee of IIFL SEC i.e. 0.02% in LIBL.
4.	IIFL Management Services Limited (IMSL)	Mr. Nirmal Jain and Mr. Venkataraman Rajamani are promoters of IIFL SEC and IMSL is a Wholly-Owned Subsidiary of IIFL SEC. Together they hold 200 equity shares as nominee of IIFL SEC i.e. 0.06% in IMSL.
5.	IIFL Commodities Limited (ICL)	Mr. Nirmal Jain and Mr. Venkataraman Rajamani are promoters of IIFL SEC and ICL is Wholly Owned Subsidiary of IIFL SEC. Together they hold 9950 shares as Nominee of IIFL SEC i.e. 3.16% in ICL.
6.	Livlong Protection & Wellness Solutions Limited (LPWSL)	Mr. Nirmal Jain and Mr. Venkataraman Rajamani are promoters of IIFL SEC and LPWSL is Subsidiary of IIFL SEC. Together they hold 20 shares as Nominee of IIFL SEC i.e. 0.00% in LPWSL.
7.	IIFL Securities Services IFSC Limited	Mr. Nirmal Jain and Mr. Venkataraman Rajamani are promoters of IIFL SEC and IIFL Securities Services IFSC is the Wholly owned subsidiary of IIFL SEC.
8.	India Infoline Foundation (Section 8 Company)	Mr. Nirmal Jain and Mr. Venkataraman Rajamani are promoters of IIFL SEC and India Infoline Foundation is the Wholly owned subsidiary of IIFL SEC.
9.	Shreyans Foundations LLP	Mr. Nirmal Jain and Mr. Venkataraman Rajamani are promoters of IIFL SEC and Shreyans Foundations LLP is the subsidiary (Step down) company of IIFL SEC.
10.	Meenakshi Towers LLP	Mr. Nirmal Jain and Mr. Venkataraman Rajamani are promoters of IIFL SEC and Meenakshi Towers LLP is the subsidiary company of IIFL SEC.
11.	IIFL Capital Inc	Mr. Nirmal Jain and Mr. Venkataraman Rajamani are promoters of IIFL SEC and IIFL Capital Inc is a wholly owned subsidiary of IIFL SEC.
12.	IIFL Wealth (UK) Limited	Mr. Nirmal Jain and Mr. Venkataraman Rajamani are promoters of IIFL SEC and IIFL Wealth (UK) Limited is a wholly owned subsidiary of IIFL SEC.
13.	IIFL Finance Limited (IIFL)	Mr. Nirmal Jain and Mr. Venkataraman Rajamani are Promoter and Executive Director of IIFL. Mr. Nirmal Jain and Mr. Venkataraman Rajamani are promoters of IIFL and both hold along with their relatives & persons acting in concert 9,45,47,490 equity shares i.e. 24.85% in IIFL.

Notice (Contd.)

S. No.	Name of Related Party	Nature of Interest or Concern
14.	IIFL Open Fintech Private Limited	Mr. Nirmal Jain is a Non-Executive Director of IIFL Open Fintech Private Limited. IIFL Open Fintech Private Limited is a subsidiary of IIFL Finance Limited. IIFL Finance Limited holds 51.02% stake in IIFL Open Fintech Private Limited.
15.	IIFL Home Finance Limited (IIFL HF)	Mr. Nirmal Jain and Mr. Venkataraman Rajamani are Non-Executive Directors of IIFL HF. IIFL HF is a Subsidiary of IIFL.
16.	IIFL Samasta Finance Limited (ISFL)	ISFL is a Subsidiary of IIFL Finance Limited
17.	360 ONE WAM Limited (Formerly IIFL Wealth Management Limited)	Mr. Nirmal Jain and Mr. Venkataraman Rajamani are Co- Promoter and Non - Executive Director of 360 ONE WAM Limited. Mr. Nirmal Jain and Mr. Venkataraman Rajamani along with their relatives & persons acting in concert held 36,915,416 equity shares i.e. 10.37% and 10,653,956 equity shares i.e. 2.99% respectively in 360 ONE WAM Limited.
18.	IIFL Wealth Prime Limited (IIFL WPL)	IIFL WPL is a Wholly owned Subsidiary of IIFL WM.
19.	5paisa P2P Limited (5P2P)	5P2P is a Wholly owned Subsidiary of 5Paisa Capital Limited (5PCL).
20.	5paisa Trading Limited (5PTL)	5PTL is a Wholly owned Subsidiary of 5Paisa Capital Limited (5PCL).
21.	5paisa Corporate Services Limited (5CSL) (Formerly known as 5Paisa Insurance Brokers Limited)	5CSL is a Wholly owned Subsidiary of 5Paisa Capital Limited (5PCL).
22.	5paisa International Securities (IFSC) Limited (5IS(IFSC)L)	(5IS(IFSC)L) is a Wholly owned Subsidiary of 5Paisa Capital Limited (5PCL).

Based on the information on the proposed transactions, summarized in this Notice, the Audit Committee of the Board and the Board of Directors have approved entering into the said transactions and has reviewed and noted and recommended that the approval of the Members be also sought for the resolutions contained at Item Nos. 05 to 17 of the accompanying Notice.

Except the above Directors, Promoters and their relatives none of the Directors, Key Managerial Personnel and their Relatives are, in any way, concerned or interested, financially or otherwise in the Ordinary Resolutions set out at item Nos. 05 to 17.

The Board accordingly recommends the Ordinary Resolutions set out at Item Nos. 05 to 17 of the Notice for approval by the members.

ITEM NO. 18

With the enhanced Corporate Governance requirements under the Companies Act 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter called as the Listing Regulation) coupled with the size, complexity and operations of the 5paisa Capital Limited and its group companies, the role and responsibilities of the Board, particularly Non-Executive Director has become more onerous, requiring greater time commitments, attention and a higher level of oversight.

In view of the above, the Board of Directors at its meetings held on May 01, 2023 recommended and approved payment of commission not exceeding 1% of the net profits of the Company for Financial Year 2023-24 and onwards, in terms

Notice (Contd.)

of Section 197 of the Act, computed in accordance with the provisions of Section 198 of the Act or such other percentage as may be specified from time to time. Regulation 17(6) of Listing Regulation authorities, the Board to recommend all fees and compensation, if any, paid to Non-Executive Directors, including Independent Directors and the same would require approval of members in general meeting. This commission will be distributed amongst all or some of the Non-Executive Directors including Independent Directors, taking into consideration various parameter such as attendance at Board and Committee meetings, contribution at or other than at meetings, etc. in accordance with the directions given by the Board.

The above commission shall be in addition to fees payable to the Director(s) for attending meetings of the Board/ Committees or for any other purpose whatsoever as may be decided by the Board and reimbursement of expenses for participation in the Board and other meetings.

Accordingly, members' approval is sought by way of a Special Resolution for payment of commission to the Non-Executive Directors as set out in the said resolution.

None of the Directors, Key Managerial Personnel or their respective relatives, concerned or interested, financially or otherwise, in the resolution set out at Item No. 18 of the Notice, except the Independent Directors and their relatives to the extent of the shareholding and commission that may be received by them, including for Financial Year 2023-24.

The Board accordingly recommends the Special Resolution as set out in Item No. 18 of the Notice for approval of the Members.

ITEM NO. 19

As per Section 42 of the Companies Act, 2013 ("Act"), read with the Rules framed there under, a company offering or making an invitation to subscribe to Non-Convertible Debentures (NCD's) on a private placement basis is required to obtain the prior approval of the Members by way of a Special Resolution. Such an approval can be obtained once a year for all the offers and invitations made for such NCD's during the year.

In order to augment long-term resources for financing, inter-alia, the ongoing expenditure and for business purposes, the Board may, at an appropriate time, offer or invite subscription for secured/ unsecured redeemable NCD's, in one or more series/ tranches on private placement basis, issuable/ redeemable at par.

The approval of the Members is being sought by way of a Special Resolution under Sections 42 and 71 of the Act read

with the Rules made there under, to enable the Company to offer or invite subscriptions of NCD's on a private placement basis, in one or more tranches, during the period of one year from the date of passing of the Resolution at item No. 19, within the overall borrowing limits of the Company, as approved by the Members from time to time.

None of the Directors/ Key Managerial Personnel of the Company/ their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at item No. 19 of the Notice.

ITEM NO. 20 & 21

Keeping in view the Company's existing and future financial requirements to support its business operations, the Company needs additional funds. For this purpose, the Company is desirous of raising finance from various Banks and/or Financial Institutions and/or any other lending institutions and/or Bodies Corporate and/or such other persons/ individuals as may be considered fit, which, together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid-up capital and the free reserves of the Company. Hence it is proposed to increase the maximum borrowing limits up to ₹ 2500 crores (Rupees Two Thousand Five Hundred Crores only). Pursuant to Section 180(1)(c) of the Companies Act, 2013, the Board of Directors cannot borrow more than the aggregate amount of the paid-up capital of the Company and its free reserves at any one time except with the consent of the members of the Company in a general meeting.

In order to facilitate securing the borrowing made by the Company, it would be necessary to create charge on the assets or whole of the undertaking of the Company. Section 180(1) (a) of the Companies Act, 2013 provides for the power to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company subject to the approval of members in the general meeting.

The Board recommends these resolutions for the approval of the members as Special Resolutions.

None of the Directors or the Key Managerial Personnel of the Company including their relatives are in any way concerned or interested in the resolutions, except to the extent of their shareholding in the Company, if any.

The Board recommends the Special Resolution set out at item No. 20 & 21 of the Notice for approval by the Members.

Notice (Contd.)**ITEM NO. 22**

The Board of Directors reviewed the structure and competitiveness of the employee compensation of the Company. The current compensation structure has a component in the nature of Stock Options granted at the fair market price. Compensation best practices indicate that along with the stock options, Restricted Stock Units (RSUs) which are deep discounted stock options at face value, enable the organization to attract best talent from the market with attractive incentives considering the evolving and rapidly growing industry, help to motivate employees to achieve sustainable performance goal and retain key talent in the organization for a long period. In order to attract, motivate and retain talent as well as make compensation competitive, the Board recommends institution of the combination of Stock Options and RSUs under “5Paisa ESOS – 2023”.

The “5Paisa ESOS 2023” envisages grant of share options to eligible employees at market related prices and RSUs at the face value i.e. ₹ 10/-. In case the firm changes their entity status (for eg. moving from public to private), then the NRC is authorised to present alternatives to the Board to ensure that employees under this scheme are no worse off. Such options would need to be approved by the Board.

The terms of the Plans are as follows:

5PAISA ESOS - 2023**Eligibility**

The Scheme will be applicable to all permanent employees of the Company, or of a subsidiary in India or out of India, or of a holding company, including any Director(s) of the Company (excluding promoters). The NRC will determine the specific employees or class of employees who will be eligible for the award.

Coverage

The coverage of Stock Options and RSUs shall be determined by the grade of the employee. The NRC may change the coverage as considered appropriate keeping in view of the employee's role; past performance; potential; and/or such other criteria as may be determined.

Frequency of Grant

The grant will be made annually. The NRC may change the grant frequency as considered appropriate keeping in view the competitive compensation scenario, the talent market and such other factors as may be relevant.

Award Size Criteria

The total number of options to be granted at any time as well as the number of options to be granted to an individual employee

will be a pre-determined % of the fixed pay of the employee which is based on the grade of the employee. The NRC may change the award size as considered appropriate keeping in view of employee's role; past performance; potential; tenure in the organization; entity performance and/or such other criteria as may be determined.

Exercise Price

For Stock Options, the exercise price shall be the closing market price of the shares one day before the date of the meeting of the committee wherein the grants of options will be approved. The NRC may provide suitable discount or charge premium on such price as arrived above. For RSU, the exercise price shall be at a face value i.e. ₹ 10/- for RSU at the time of grant.

Vesting

The vesting period and the schedule of vesting may be determined by the NRC at the time of grant in line with SEBI guidelines. The minimum and the maximum vesting period will be as per the Vesting plan of the company.

Option Term

The options for both Stock Options and RSU will have a maximum term of 7 (seven) years from the date of the grant. Any options not granted or exercised within this period shall lapse.

Source of Shares

The scheme shall result in the issuing of shares from the existing Paid-up share capital at the time of exercising the options. Options that have lapsed (including those having lapsed by way of forfeiture) shall be added back to the number of options that are pending to be Granted. The Company may grant such options with approval from the NRC.

Total Number of Options to be granted

The total number of options granted under the scheme shall not cumulatively exceed Twenty-lakhs (20,00,000).

Terminal Conditions

The NRC shall determine the treatment of unvested and vested options in the event an employee leaves the employment of the Company in line with SEBI and any other applicable guidelines.

Administration of the Scheme

The NRC shall be responsible for administering the scheme and compliance with the SEBI Guidelines and any other applicable guidelines, rules or regulations.

Accounting

The NRC shall determine from time to time the valuation and accounting methodology for the options issued under

Notice (Contd.)

this scheme. In case the company calculates the employee compensation cost using the intrinsic value of the stock option, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options, shall be disclosed in the Directors' Report and also the impact of this difference on profits and on EPS of the Company shall be disclosed in the Directors' Report.

The member's approval

The member's approval is sought for 5Paisa ESOS - 2023. A copy of the 5Paisa Capital Limited Employee Stock Option Scheme named **5Paisa ESOS - 2023**, will be available for inspection by the members on any working day from Monday, August 28, 2023 to Wednesday, August 30, 2023 between 10:00 AM to 4:00 PM at the Registered Office IIFL House, Sun Infotech Park, Road No. 16V, B-23, MIDC, Thane Industrial Area, Wagle Estate, Thane - 400604 of the Company.

Annexure to the Notice

DETAILS OF DIRECTOR SEEKING APPOINTMENT/RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING PURSUANT TO REGULATION 36 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARD-2:

1. Mr. Gourav Munjal

Particulars	Mr. Gourav Munjal
DIN	06360031
Date of Birth	June 16, 1988
Nationality	Indian
Date of Appointment on the Board	January 16, 2020
Qualifications	Chartered Accountant and Company Secretary and Diploma in IFRS from the Association of Chartered Certified Accountants (ACCA).
Expertise in specific functional areas	Accounts, Finance and Taxation
Number of shares held in the Company (including Options granted under ESOP)	200 equity shares and 110,000 options granted under relevant ESOP Scheme
Directorships held in other companies (excluding foreign companies)	<ul style="list-style-type: none"> • 5paisa P2P Limited • 5paisa Insurance Brokers Limited • 5paisa Trading Limited • 5paisa international Securities (IFSC) Limited
Attendance in number of Board Meetings eligible during the financial year 2022-23	Five of Five
Memberships/ Chairmanships of committees of other companies (includes only Audit Committee and Stakeholders Relationship Committee)	Nil
Relationships between Directors <i>inter-se</i>	None
Remuneration details (Including Sitting Fees & Commission) (₹ in millions)	₹ 51,27,306

Annexure to the Notice (Contd.)
2. Mr. Narayan Gangadhar

Particulars	Mr. Narayan Gangadhar
DIN	09298665
Date of Birth	August 18, 1977
Nationality	Overseas citizen of Indian
Date of Appointment on the Board	July 13, 2023
Qualifications	1. Bachelor of Engineering from Mumbai University; 2. Master in Computer Science from Worcester Polytechnic Institute
Expertise in specific functional areas	Refer brief profile of Mr. Narayan Gangadhar as provided in the explanatory statement.
Number of shares held in the Company (including Options granted under ESOP)	NIL
Directorships held in other companies (excluding foreign companies)	Not Applicable
Attendance in number of Board Meetings eligible during the financial year 2022-23	Not Applicable
Memberships/ Chairmanships of committees of other companies (includes only Audit Committee and Stakeholders Relationship Committee)	Not Applicable
Relationships between Directors <i>inter-se</i>	None
Remuneration details (Including Sitting Fees & Commission) (₹ in millions)	Not Applicable

For other details such as number of meetings of the board attended during the year, remuneration drawn and relationship with other Directors and Key Managerial Personnel in respect of above Director, please refer to the Corporate Governance Report which is a part of this Annual Report.

**By Order of the Board of Directors
For 5paisa Capital Limited**

Namita Godbole

Company Secretary
ACS - 21056

Registered Office:

IIFL House, Sun Infotech Park,
Road No. 16V, Plot No. B-23,
Thane Industrial Area,
Wagle Estate, Thane -400604
CIN: L67190MH2007PLC282949

Date: August 07, 2023

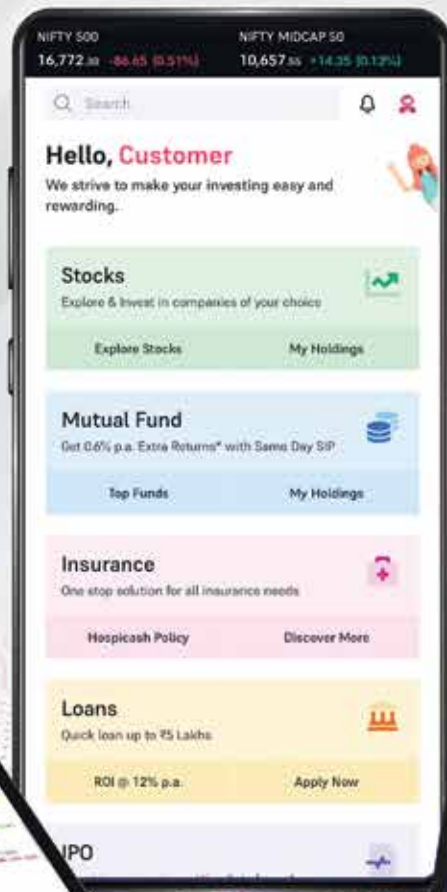
Place: Thane

e-mail: csteam@5paisa.com

Telephone No. - 022-41035000



Racing Ahead with Digital Edge



2022-23
ANNUAL REPORT

WHAT'S INSIDE?

01

STRATEGIC REVIEW

- 01 Racing ahead with digital edge
- 02 About 5paisa Capital
- 03 Ahead in the digital race
- 05 Driving profitable growth
- 06 Our investment case
- 08 Accelerating online reach
- 10 Our value creation model
- 12 Chairperson's message
- 14 Letter from the Whole-Time Director & CEO
- 16 Bouquet of offerings
- 17 Transforming customer experience
- 22 Client testimonials
- 24 Maximizing opportunities
- 26 Risk management
- 28 Caring for people and the planet
- 30 Nurturing our people
- 32 Board of Directors
- 34 Awards and accolades

36

STATUTORY REPORTS

- 36 Directors' Report
- 60 Business Responsibility and Sustainability Report
- 90 Corporate Governance Report
- 128 Management Discussion and Analysis

142

FINANCIAL STATEMENTS

- 142 Standalone
- 204 Consolidated



Download this report or read online at
www.5paisa.com

Forward-looking statements

This document contains statements about expected future events and financial performance of 5paisa Capital Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis of this Annual Report.

Digital technology is the present and the future. It is what drives operational efficiency and delivers client delight. At 5paisa, we have been leveraging the power of digital technology and have reaped in the results.

Our resilient and scalable model has rendered...

...100% paperless, digital client acquisition

...an expansion in all our growth parameters

...cost rationalization

Best of all, it has earned us the reputation of being a secure and reliable broking house. In the year gone by, we have made significant strides in expanding our online presence and increasing lead generation through our website. As we move forward, we remain committed to enhancing our digital infrastructure and services.

We look forward to further enable our clients and continue to create wealth for our investors, while racing ahead with our digital edge.



RACING AHEAD WITH DIGITAL EDGE



PERFORMANCE HIGHLIGHTS: FY 2022-23

3.5 Million, **27% ↑**

Client base

₹3,394 Million, **14% ↑**

Revenue

1.8 Trillion+, **110% ↑**

ADTO

10.3%, **102% ↑**

Y-O-Y for RoNW



ABOUT 5PAISA CAPITAL

We, at 5paisa Capital Limited, provide investors with access to financial products through our online trading platform and mobile applications. We are registered with SEBI as a stock broker, depository participant and research analyst, and with AMFI as a mutual fund distributor.

Our Company commenced operations in 2016 and has, since then, evolved into a major fintech player. Today, it is among India's fastest-growing technology-driven financial service companies. We offer a wide range of financial products and services for all investment needs of clients.

These include

Online discounted stock broking

Depository services

Research and distribution of mutual funds

Others

Our services are particularly targeted at retail investors and high volume traders who actively invest and trade in securities markets and seek DIY (Do-it-Yourself) services at a low cost.

Through our internet terminals and mobile applications, we provide our clients with access to our online technology platform for trading in securities and commodities on NSE, BSE and MCX.

We are a technology-driven company with a robust online presence. To sustain our digital edge, we remain focused on innovation, based on an understanding of client behavior, and constantly strive to achieve tech superiority as is visible through the developments of our robust trading platform, advanced mobile app, robo-advisory platform, and paperless account opening process.

OUR STORY IN NUMBERS

15 Million+

App users

83%

Clients from Tier 2 and Tier 3 cities

541

Total employees on roll

ISO 27001:2013

Certified

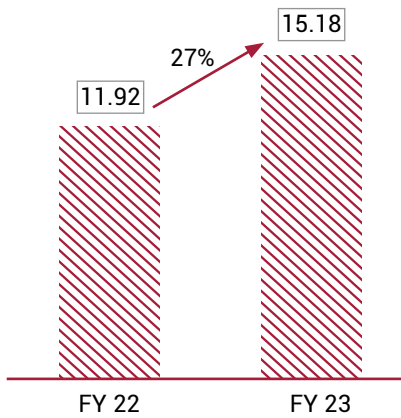
73%

Clients below 35 years of age

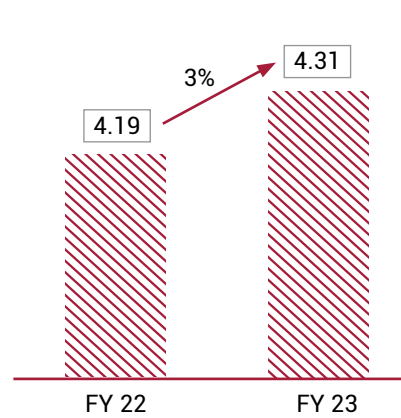


AHEAD IN THE DIGITAL RACE

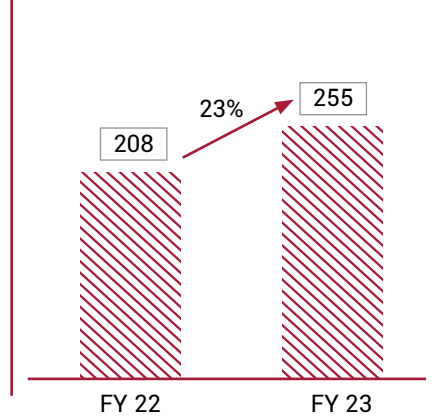
App downloads (In Million)



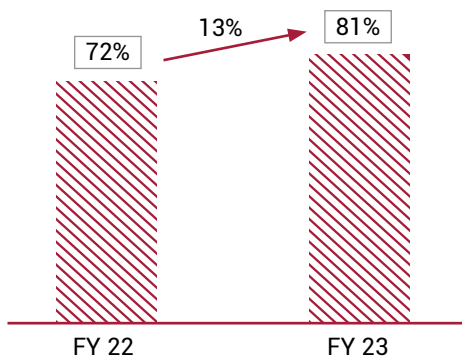
App ratings



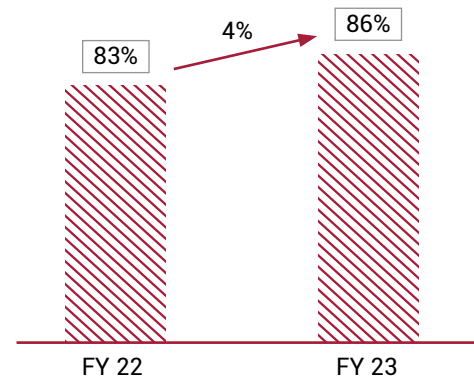
Digital employee strength



Net Promoter Score (NPS)



Straight-Through Processing (STP)



APP DOWNLOADS

- Time spent on app increased by 25%
- 21% growth in daily active clients/ monthly active clients



DIGITAL STRENGTH

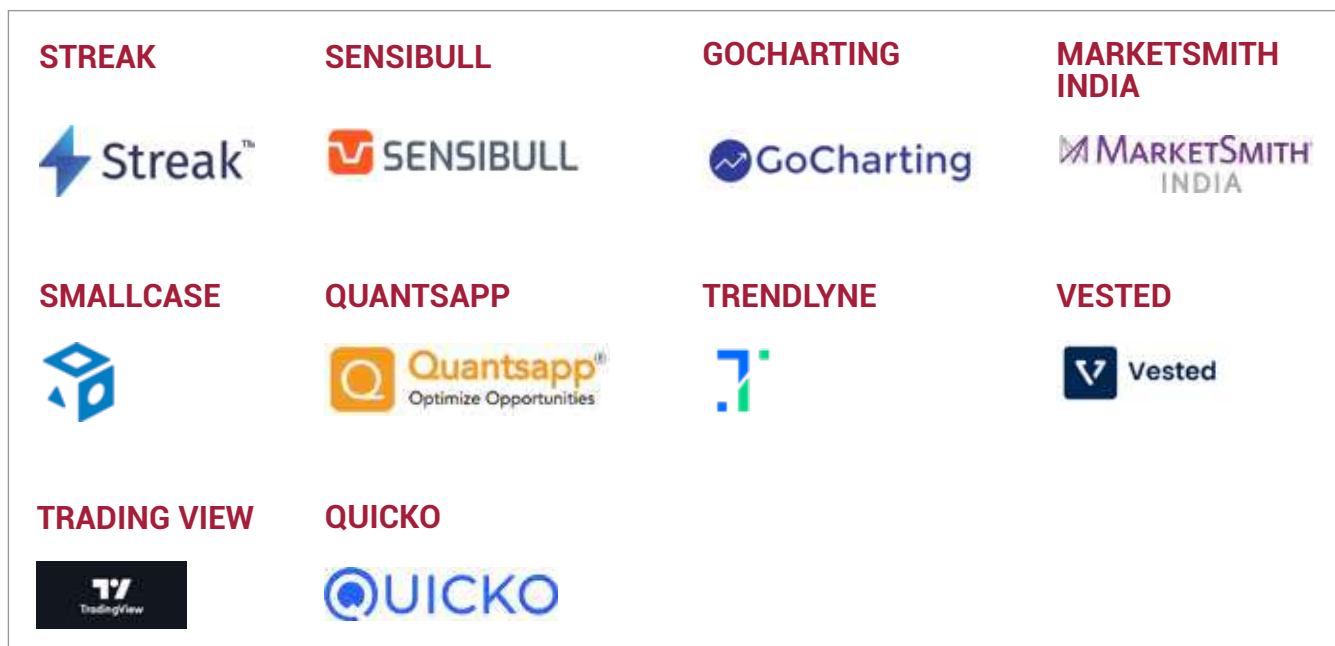
- Improvement in UI/UX across all platforms with more client-friendly features
- App revamped with many new features and reduced latency



ENHANCING CUSTOMER EXPERIENCE

- Improvement in turnaround time to resolve all client queries
- Reduction in time taken for client on-boarding with no human intervention.

OUR PARTNERS




DIGITAL BUSINESS MODEL



DIGITAL CLIENT ACQUISITION

- 3.5 Million clients
- 100% paperless client activation
- 85% STP (without human intervention)
- 83% clients belong to Tier 2 and 3 cities




DIGIT"ALLY" YOURS

- 15 Million+ app downloads with 4.3-star rating
- 35% of manpower employed is in Tech and Product development
- High client satisfaction with 81% NPS Score
- FnO 360 - dedicated trading platform for derivative traders
- One-stop solution for Investing, Trading, MFs, Bonds, IPOs, Wealth Management



STRONG FINANCIAL SCORECARD

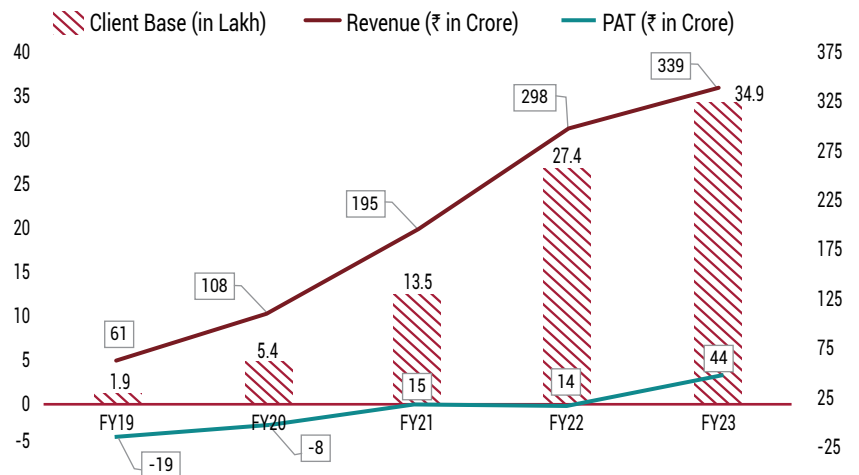
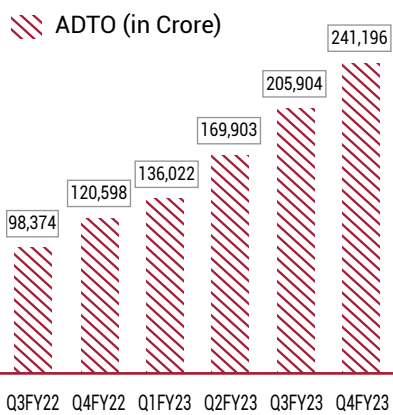
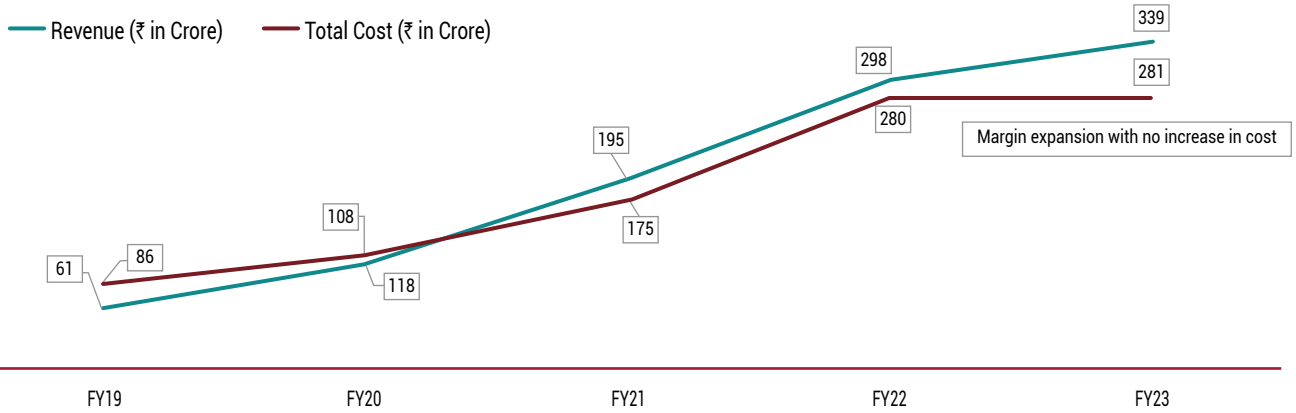
- Highest revenue of ₹ 3,394 Million and PAT of ₹ 436 Million in FY 2022-23
- No increase in total cost in FY 2022-23
- 63% reduction in CAC (in last 3 years)
- High Life-Time Value (LTV) with 55%+ margin in first 3 years and beyond



SECURE AND RELIABLE BROKER

- Profitable listed discount broker with high net worth
- Highly secure as net worth is almost 50% of client funds
- Timely compliance with all applicable regulations
- Qualified stock broker as per new SEBI norms

DRIVING PROFITABLE GROWTH



OUR CORE STRENGTHS



Product portfolio



Technology edge



Talented team



Governance framework



Robust risk management



Simple processes



One platform for all the needs of investors



Personalized services



Swift execution

OUR INVESTMENT CASE



SCALABLE DIGITAL BUSINESS MODEL

Since our inception, we have built a robust, growing and scalable digital business model. Digital capabilities form the backbone of our entire business operations across the entire client lifecycle. In addition to our in-house platforms, apps and other digital capabilities, we have also partnered with prominent fintechs to provide best-in-class experience to our clients.

100%
paperless
client activation

Our app is the one-stop solution for investing, trading, MFs, Bonds, IPOs and wealth management



A THRIVING CLIENT BASE

At 5paisa, we leave no stone unturned in our endeavor to provide our clients with superior value and seamless experience. With this approach, we have grown our active client base, multifold and have kept client acquisition costs under check. The opportunity landscape in the country is huge and we believe there is significant potential for us to grow our total client base while deepening the wallet share of existing clients.

NPS score of
81%

Added 2.9 Million clients over the past 3 financial years



SUPERIOR FINANCIAL PROFILE

We are among the few low cost, profitable stock brokers in India. Despite our rapid growth, we follow a disciplined and frugal approach when it comes to our finances. As a result, our growth margins as well as return ratios stack up high when compared to our peers. We are confident of maintaining and further fortifying our financial profile in the future.

Flat total cost in
FY 2022-23 over
FY 2021-22

13% PAT margin in
FY 2022-23



PROVEN TRACK RECORD OF THE MANAGEMENT

Our Board, comprises of Directors with strong expertise of the sector and our management team has been instrumental in steering our company through good and bad tides over the years. Under their guidance, we are able to think ahead of the curve and are well on the path to become the best version of ourselves.

Average experience
of Board members
25 years

ACCELERATING ONLINE REACH

During the year under review, we have made significant strides in expanding our online presence.



Instagram

Followers	71,000	1,67,702
	FY 2021-22	FY 2022-23
	↑ 136%	



Twitter

Followers	1,47,200	1,62,235
	FY 2021-22	FY 2022-23
	↑ 10%	



YouTube

Subscribers	3,07,000	4,57,000
	FY 2021-22	FY 2022-23
	↑ 49%	



LinkedIn

Followers	29,800	39,365
	FY 2021-22	FY 2022-23
	↑ 32%	



Facebook

Likes	3,73,000	3,82,256
	FY 2021-22	FY 2022-23
	↑ 2%	



Telegram

Subscribers	36,500	48,653
	FY 2021-22	FY 2022-23
	↑ 33%	



Several initiatives were undertaken to revamp our website (to further ease navigation), improve client experience and attract more clients.

As a result of this revamp, the traffic-to-lead and average time spent has improved, enabling us to increase lead generation. We have successfully enhanced the level of personalization on our website by analyzing user behavior and demographics data. Through a thorough understanding of our users' preferences and actions, we have implemented strategies and tailor their website experience and meet their investment needs.

New pages were created based on our findings of the keyword research. This helped us move 63,745 keywords to the first page of Google and attract more organic traffic to our website. Organic new users have increased by 57% compared to the previous financial year.

We have strategically implemented stock market widgets on multiple media partner websites/apps like Jagran, TV9, Zee, Dailyhunt, and others as part of our efforts to enhance online visibility and attract potential clients.

VIRTUAL TOUCHPOINTS AND OUTREACH:

As a result of the revamp,

- Traffic on our website has increased 11% from 40 Million to 44 Million in FY 2022-23
- The traffic-to-lead increased by 100% in comparison with previous financial year
- Mobile page speed score improved to 80+ for key sections (Home, ODA, Mutual Funds, Blogs, News, Stocks, Market Guide and Derivatives)
- 63,745 keywords rank on 1st page of Google versus 7,741 keywords in the previous year

OUR VALUE CREATION MODEL

INPUTS

OUR OFFERINGS



Financial Capital

- Equity funding ₹ 4,632.61 Million
- Debt funding ₹ 1,692.83 Million
- Total capital employed ₹ 6,325.44 Million



Physical Capital

- Call center executives 330
- App downloads as on March 31, 2023 15.19 Million



Intellectual Capital

- Technology spends during the year ₹ 605.14 Million
- No. of partnerships with fintechs 50+



Human Capital

- Total employees 541
- Female employees 205
- Average number of training hours per employee 29 hours



Social and Relationship Capital

- Total no. of active clients 3.5 Million
- CSR spends during the year ₹ 2.16 Million



Natural Capital

Implementing measures for efficient

- Energy consumption
- Water usage
- Waste management
- Reduction of paper waste



Investment products

- Stocks
- Derivatives
- Commodity
- Currency
- Mutual Funds
- Wealth
- Bonds
- US Stocks



Technology

- 5paisa trading app
- Tradestation web
- FnO 360
- Tradestation EXE
- Developer APIs



OUTPUTS

OUTCOMES



ADTO up 110% over FY 2021-22



Client Acquisition Cost (CAC) down 15% over FY 2021-22



App downloads up 27% over FY 2021-22



100% digital onboarding process



Organization is ISO 27001:2013 certified



Financial Capital

- Revenue ₹ 3,393.68 Million
- PAT ₹ 435.67 Million
- RoNW 10.30%



Physical Capital

- Rating of the app 4.3 stars on playstore
- Time spent on app Increased by 25%
- Pan India presence



Intellectual Capital

- New products added during the year FnO 360, Margin+



Human Capital

- Employee productivity : ₹ 63 Lakh per employee
- Total permanent employees trained during the year: 532



Social and Relationship Capital

- No. of new clients added during the year 0.75 Million
- Improved TAT to resolve client queries



Natural Capital

- 100% digital on-boarding process
- Reduced dependence on paper communications and more use of electronic means of communication

CHAIRPERSON'S MESSAGE



At 5paisa, our digital capabilities enable us to grow our business by reaching out to more clients and providing them with personalized services. Throughout the year, we continued to augment our infrastructure and people capabilities with the purpose of making our platform more intuitive.

Dear Stakeholders,

It is my pleasure to present to you our Company's Annual Report for the FY 2022-23.

It was a year of continued growth and adaptation to the changing market and macro-economic landscape for 5paisa. The year was marked by dynamic changes in the global economic landscape and evolving consumer behavior. While it began with optimism as the world witnessed a robust post-recession recovery, and as businesses and lives returned to normalcy from the aftereffects of the pandemic, we also faced challenges, from the geopolitical uncertainty and rising commodity prices. The reversal of liquidity measures, implemented to combat the surging inflation, influenced capital flows and the cost of capital.

Notwithstanding these pressures, India remained one of the fastest growing major economies amid increased private sector consumption and continued government focus on infrastructure development. The Indian economy grew 7.2% during FY 2022-23. As per estimates by World Bank, India's GDP could grow 6.3% in FY 2023-24. Robust investment activity, government's thrust on capex and buoyant private consumption are likely to drive this growth.

India continues to be at the forefront of the fintech revolution. In 2022, India had 89.5 Million digital transactions, and topped the list of five countries in digital payments (Brazil, China, Thailand and South Korea being the other 4 countries), according to data from MyGovIndia. Interestingly, the number of digital transactions of India exceeded the total digital transactions done by the other four countries combined. This accomplishment can largely be attributed to the central government's push towards a cashless economy, with the broader objective of empowering rural populace and driving inclusive development. The pandemic gave further impetus to the digital transformation taking place in the financial services sector. Additionally, factors such as rising incomes, healthy economic growth, innovation and favorable regulatory environment will drive demand for financial services. With more and more individuals embracing online investing, well-governed fintech companies like ours stand to benefit the most. Going forward, the fintech ecosystem could continue growing in India on the back of increasing availability of smartphones, greater internet access and high-speed connectivity.

At 5paisa, our digital capabilities enable us to grow our business by reaching out to more clients and providing them with personalized services. Throughout the year, we continued to augment our infrastructure and people capabilities with the purpose of making our platform more intuitive. We also harnessed technology to provide faster services and enhanced efficiency. I am proud to announce that by the end of FY 2022-23, we achieved over 15 Million app downloads and the average time spent on our app increased 25% during the year. The rating of our app improved from 4.19 stars in FY 2021-22 to 4.31 stars in FY 2022-23. Overall, we are honored to serve over 3.5 Million clients and create value for them consistently.

Our mutually-rewarding and strategic partnerships with fintechs and other investment experts are a significant part of our growth. These partnerships help us go the extra mile in creating superior experience for our clients by providing high ease of transactions along with best-in-class offerings. From here on, we will continue to welcome new investors to our universe, especially from tier-2 and tier-3 cities of the country. Millennials and Do-It-Yourself (DIY) investors are other key target segments for us.

3.5 Million

Total client base as on March 31, 2023

In conclusion, your continued support and trust has been instrumental in driving our success, and we remain dedicated to delivering excellence in our services. Thank you for being a part of our journey, and we hope you find this report both insightful and inspiring.

None of these achievements would have been possible without the dedication and hard work of our talented teams. I extend my heartfelt gratitude to all our people at 5paisa for their unwavering commitment to our goals and the pursuit of excellence. Moreover, I would like to thank each of our stakeholders for their continued support and trust in 5paisa. Together, we will continue racing ahead with our digital edge, driven by our determination to achieve our objectives.

Warm Regards,

Dr. Archana Hingorani
Chairperson

LETTER FROM WHOLE-TIME DIRECTOR & CEO



Our Profit After Tax surged 216% to ₹ 436 Million – the highest-ever PAT for us so far. Our Profit Before Tax (PBT) margin witnessed strong expansion from 6.2% in FY 2021-22 to 17.1% in FY 2022-23. Our ability to reduce the cost of customer acquisition, concentrated efforts to provide our customers with best-in-class products and platforms along with strong retention levels have held us in good stead.

Dear Stakeholders,

FY 2022-23 was the year when economies moved ahead on the path of recovery despite geo-political tensions and the accompanying uncertainties. Foreign Institutional Investors (FIIs) were net sellers with total outflows of USD 5.1 Billion from India during the year. Stretched valuations, soaring commodity prices, weak growth in corporate earnings and better prospects of other Asian emerging markets led to this outflow.

Back home though, investors remained bullish. During the year, total number of demat accounts in India stood at 114.46 Million, registering a growth of 27% over FY 2021-22. Indian markets saw an average accretion of around 2 Million demat accounts per month. Share of retail investors continued to rise. In fact, the total number of retail investors participating in the secondary markets has grown from 3 Million in January 2020 to ~8 Million in March 2023 in NSE's Cash Market segment. Factors such as enhanced focus on financial literacy, availability of quick and efficient technology for investment/trading, favorable regulatory environment have together contributed to the rise in retail participation in capital markets. Domestic Institutional Investors (DIIs) too continued to buy into Indian stocks during the year under review. Their net inflows stood at ₹ 2.6 Trillion, up from ₹ 2.1 Trillion in FY 2021-22.

Fintech brokerage companies embodying strong brand equity, transparent corporate governance practices and a demonstrated track record of value creation continued to do well during the year, shrugging away the global pressures with relative ease.

FY 2022-23 was another year wherein regulators continued to work towards strengthening the corporate governance practices of brokerages with a fixed gaze on protecting the interest of retail investors. Amendments made to the rules of settlement of client funds, introduction of 'Demat Debit and Pledge Instruction', segregation of margin, in the form of cash and collateral (at client level), among others are in the right direction and will further strengthen the business practices of brokerage companies in India.

In March 2023, following the SEBI mandate, NSE and BSE announced the names of 15 stock broking companies to be designated as Qualified Stock Brokers (QSBs). These QSBs have been shortlisted after considering a host of factors including the number of investors they serve, the size and scale of their operations, their impact on the securities market, among others. 5paisa Capital is part of this list of QSBs, indicating that the company is systematically important. With this designation, QSBs will have to further enhance their corporate governance practices, effectiveness of compliance, transparency as well as disclosures. These companies will be required to strengthen their governance structure, risk management framework, cyber security mechanism with the aim of protecting the interest of investors. We believe this is a welcome move for the industry as a whole.

Continued traction in the fintech ecosystem of India presents a vast landscape of opportunities to leading fintech brokers. Better availability of smartphones as well as internet connectivity is helping brokerages reach out to the last-mile investor and welcome more first-time investors to their universe. Keeping customer convenience at the core, fintech brokerages are leveraging specialized software and algorithms to reduce time to on-board new customers and serve the existing ones. At the same time, technology is helping them drive efficiency across all their processes and business activities.

We, at 5paisa continued to capitalize on these opportunities, as is reflected in our robust performance during the year. While our total customers increased 27% in FY 2022-23, growth in clients belonging to Tier 2 and Tier 3 cities came in higher at 34%, over the previous year.

Our revenue grew 14% y-o-y to ₹ 3,394 Million during the year and our AUM book multiplied 1.41 times to ₹ 4,606 Million in FY 2022-23. This performance reiterates our faith in our strategy, particularly our focus on improved quality of acquisition, product, technology and infrastructure. Post revamp of our app, its rating increased from 4.19 in FY 2021-22 to 4.31 in FY 2022-23. We witnessed 21% growth in Daily Active Users and Monthly Active Users. One of our

₹ **581** Million

Profit Before Tax in FY 2022-23

key product launches during the year was that of FnO 360 - a dedicated trading platform for derivative traders, which is getting very good acceptance from the market. Margin Plus was another new product introduced during the year with the aim to enable traders/investors to meet their cash margin requirements for purchasing additional stocks at a nominal interest rate. Our Profit Before Tax (PBT) margin witnessed strong expansion from 6.2% in FY 2021-22 to 17.1% in FY 2022-23. Our Profit After Tax surged 216% to ₹ 436 Million - the highest-ever PAT for us so far. Our ability to reduce the cost of customer acquisition, concentrated efforts to provide our customers with best-in-class products and platforms along with strong retention levels have held us in good stead.

Irrespective of mandi (dull markets) or tezi (active markets), bull phases and bear phases, 5paisa has always been committed to building a robust investment ecosystem in India that can serve various segments of the large and growing pool of potential investors. We have been at the forefront of innovation in the discount broking space in India, thanks to our keen market insights and strong execution capabilities. We have remained committed to accelerating our digital transformation to sustain and amplify our performance and services in future. Recognizing the growing consumption of digital content, especially among the younger generation, we are expanding our digital presence through online campaigns.

As we look forward, we are confident that our investments in technology and our unwavering focus on delivering the best trading experience will drive revenue growth and profitability. We are racing ahead with digital edge.

Before concluding, I would like to express my heartfelt gratitude to our dedicated employees for their unwavering commitment and invaluable contributions. It is their relentless efforts that have brought our initiatives to fruition. I would also like to extend my appreciation to our shareholders, patrons, partners, regulators and other stakeholders for their continued support and collaboration.

Thank you for your continued trust and belief in 5paisa.

Yours sincerely,

Prakarsh Gagdani

Whole-Time Director and CEO

BOUQUET OF OFFERINGS



Stock Broking



Stock SIP



IPO



Commodities



Currencies



Mutual Funds,
Direct Funds,
SIP, Robo Advisory



Algo Trading



Learning Platform



Community



Wealth Management



US Stocks



Loan against
Security



Research-based
products - Swing
Trader, Smart
Investor, Smallcase,
Sensibull, Screeners,
Portfolio Analyzer





TRANSFORMING CUSTOMER EXPERIENCE

We are constantly reviewing and refreshing our offerings to facilitate our clients. During the year, in addition to revamping our app and our website, we have further augmented our bouquet of offerings. Our objective is to enhance client experiences and drive operational efficiency.

APP REVAMP

During the year under review, we revamped our app with the objective of further enhancing and simplifying the UI and UX, and enhancing customizability of our app.

We released a back-to-back series of module-wise app revamp, which transformed the face of the app. We introduced:

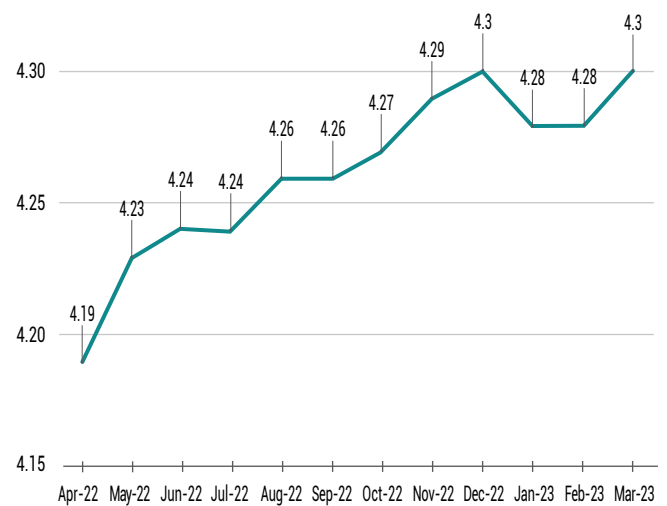
- A comprehensive design system that caters to the unique needs of every client, regardless of whether they are new-age or seasoned traders
- Revamped watchlist, which has three templates and a ticker which goes up to 6 indices across
- Dedicated markets section which provides critical market insights
- Detailed fundamental and technical page for each stock, to help make trading decisions
- New simplified search that enables contract searches with strike rates, expiry, etc. It was further enhanced by the rapid options that helps to navigate to options even more quickly
- Revamped portfolio section that alerts clients to any corporate actions on their stocks or any price insights, like 52W High, Upper circuit hit, that may have occurred

With all these new initiatives, we achieved multiple results:

- Average time spent on app / client increased by 25% over the previous fiscal year
- Retention (DAU/MAU) increased to 23% from 19%
- New simplified search improved the trade conversion funnel significantly
- ~ 25% of clients visit search more than 10 times / day
- The new markets section was visited by ~ 200K clients MoM, creating a new trade conversion flow
- We launched 300+ data points - Company Detail Page, Mini View of Charts, Market Depth and Option Chain
- Our app rating improved to 4.3/5



APP RATING



FnO 360: A DEDICATED PLATFORM FOR DERIVATIVES TRADING

We crafted the FnO 360 as a platform which empowers traders with everything they need for decision-making and to trade intelligently. Designed, developed and managed in-house by 5paisa's team of experts, the platform delivers super-fast updates and a speedy order placement experience.

Some of the exclusive features integrated into this platform -

- Multiple Live Option Chains
- Straddle Chain
- Multi-Strike Selection from Expanded Option Chain
- F&O Stats

- Pre-Defined Strategies
- Open Interest Analysis
- IndiaVix
- FII/DII
- Ideas

In addition, we have integrated many helpful features, such as advanced orders -like Basket orders, VTT orders, 1-click rollover and quick reverse. With super intuitive position books and order forms this platform serves derivatives traders, making their experiences simple and ultimately reducing the time required for placing orders and managing trades.



MARGINPLUS

According to SEBI regulations, effective August 1, 2022, the cash collateral ratio for an order must be at least 50:50 for all client's trades. This means that at least 50% of the order's value must be paid using cash, and the remaining can be in the form of non-cash collateral (pledged securities).

To support our investors, we introduced MarginPlus.

- This product enables traders/investors to meet their cash margin requirements for purchasing additional stocks at a nominal interest rate.
- With MarginPlus, our clients can trade effortlessly, using only their available stock holdings.

BENEFITS OF HAVING MARGINPLUS

- Zero cash margin requirement for Intraday trades across all segments, no interest charged
- No need to maintain a 50% cash margin in F&O
- Avail up to 5X margin funding for cash delivery orders starting at @ 0.045% per day
- Real-time activation of MarginPlus while placing orders across segments
- Increased ROI on short-term trades



QUICK REVERSE & 1 TAP ROLLOVER

- With this position, our clients can reverse their stock's position - whether Buy or Sell, with just a click.
- The Rollover Position allows clients to carry forward their Future Positions from the current expiry to the next expiry in just a single click.
- The Rollover feature pre-empts the tedious job of manually squaring off current future positions and placing new orders of subsequent expiry.
- Rollover creates a fresh position for the next month for the same future contract.



ORDER SLICING

Using this, clients can:

- Place large quantity orders in a single click, making it easy for them to place large chunk orders.
- Divide a large quantity of their trade into multiple orders based on the number of scrips they want to buy
- Receive a pop-up to ask client's permission, if the order exceeds the limit, while placing the order.
- Receive an order summary, with a breakup of the order quantity and the count



TRADING VIEW CHARTS

With this feature,

- Clients can use all their charting analytics through trading view charts as well as chart IQ (a robust charting platform) based on their preference, which works in any mobile application worldwide.
- Clients can spot opportunities across the market worldwide
- Clients can further switch between the 'Chart IQ' and 'Trading View Charts' by going into the Settings under the Client Section.
- Viewing charts has become easy and client-friendly.
- Stock analysis has become rapid and easy to understand



PREDEFINED STRATEGIES

Through this feature:

- Clients can execute option trading strategies with just one click
- We have integrated 16 prebuilt strategies that are most commonly used across 4 different market trends (i.e. Bullish, Bearish, Neutral & Volatile)
- Clients can manage and mitigate their risk by executing pre-built multi-legged hedged strategies
- Clients can find their margin requirement, max profit and max loss upfront with the breakeven points to make informed trading decisions ahead of the market



SIMPLIFIED SEARCH

We have revamped the stock or instrument search on our platform.

- In our earlier setup, our clients had to do multiple selections before they reached their intended stocks or contract pages on the platforms.
- With this new and simplified search feature, a client can filter results from the moment they begin typing characters.
- FnO traders on our platforms find this particularly useful when they want to search for specific contracts.



2 FACTOR AUTHENTICATION

The two-factor authentication for login sessions in 5paisa adds another security level to the trading account against unauthorized access.

This is in compliance with the new NSE Circular No. 36/2022 on increasing the security of all trading accounts.



QUANTOWER

Quantower Trading Platform is an advanced platform and an extension to 5paisa that enables clients to trade through their desktops/laptops. It is a full-featured platform covering the trading in different segments including Equity, F&O, Currency & Commodity. With real-time reliable data access and quick execution of profitable trades, Quantower provides our clients with a good trading experience. Key features of Quantower:

- i. Charting and analysis
- ii. Option analytics
- iii. Faster execution – trade directly from charts
- iv. Flexible interface
- v. DOM trading
- vi. Option strategies



STOCKY5

Stocky5 is a new addition to our product bouquet.

- It is a stock market trading community app for proficient traders and investors to discuss the share market trading in real time.
- Clients can also express views and future expectations, share investment ideas or anything related to trading in stocks, mutual funds, commodities, IPOs, etc.
- Through the Stocky5 social trading platform, clients can share, trade, and connect with market experts, investors and influencers.



CLIENT TESTIMONIALS



Prashant Srivastava



I started share trading with 5paisa around 6 months ago. And 5paisa made it so easy for me to use and understand, especially futures and options trading. Everything on the 5paisa mobile app is placed brilliantly and makes it easy to trade. Also, nominal brokerage helps me save more money.



Kushal Jain



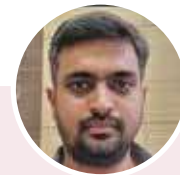
5paisa works in a systematic manner which adds lots of value to clients. They offer an excellent online trading platform, charge a low brokerage fee, and are regarded as one of the most transparent stock brokers in the industry. Continuous improvement and innovation have made them the fastest-growing fintech company in India. It is providing the best services compared to any other securities service provider.



Chetan Rane



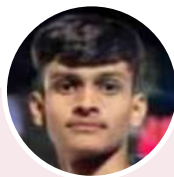
I highly recommend the 5paisa trading platform to both beginners and experienced traders. It provides a seamless trading experience with a wide range of assets to choose from. The educational resources and customer support are also top-notch.



Jeevannath



I have a trading account with 5paisa since 2018. Their service has always been top-notch. Their app and platforms like FnO 360 are very helpful for active traders.



Yash Vaghasiya



5paisa is a very good, useful and easy app. I use it because I find it to be the best app for all work related to stock markets.



A R Singhal



I am happy to have used the services of 5paisa for my market-related investments, be it equity, mutual funds or bonds. Services and support has been transparent, professional as well as prompt. Well done.



Kavya G Iyer



I would like to appreciate your entire 5paisa team for the outstanding support and remarkably quick response times. If this level of service continues, I would be thrilled to continue my association with 5paisa.



Raguram Sankar



I have been a 5paisa "Ultra Trader Pack" client for the last 5 years. I enrolled as a client in June 2018. The services rendered by 5paisa are excellent. 5paisa is prompt in responding to any queries. It is customer-friendly. Once I wished to talk to the CEO on matters relating to margin funds and they promptly connected me to him for my suggestion and he sorted out my queries relating to trading. Software on trading is excellent and they have never crashed. They keep updating with prompt notifications to customers. I wish them luck and continuation of their customer-oriented approach.



Amit Kumar



I am extremely satisfied with 5paisa's exceptional service and expertise. They have consistently provided me with accurate market insights and timely trade executions, leading to significant financial gains. Trustworthy and reliable, I confidently recommend them for all your investments.



Harish Vaishnav



I have started using 5paisa since this year. I have very good experience from the customer support team. Also I am very happy with their brokerage charges which are the lowest among all.

MAXIMIZING OPPORTUNITIES

RAPID GROWTH OF DIGITAL BROKERS



Technology has been transforming the face of several sectors, including the brokerage sector. The ease of access to internet/mobile phones and growing digitalization of trading platforms and products present an enviable opportunity landscape for fintechs. Digitalization is increasingly becoming pivotal to enhancing customer value and overall experience. In this scenario, it is not surprising that top 5 digital brokers account for about 2/3rd market share in incremental NSE active clients. Such fintech brokers are at the forefront of welcoming new-to-equity investors into the formal broking arena. In sync with the shift towards e-payment avenues, customers are also adopting Do-It-Yourself (DIY) investing, due to its sheer ease and convenience. Companies providing cutting-edge technology and seamless experience are thus, better placed to create long-term, sustainable value for all stakeholders.

SHARE OF DISCOUNT BROKERS IN INDIA

65.42%

FY23

30.20%

FY20

OUR RESPONSE

5paisa is constantly upgrading its interface and back-end to enhance digital experiences for its clients. Today, it is India's fastest growing discount broker (chittorgarh.com)

SOURCE:

www.nseindia.com

FINANCIALIZATION OF HOUSEHOLD SAVINGS



Rising share of financial savings of households augurs well for the broking industry. As more Indians move away from physical assets to financial assets, brokerages providing an array of investment products with superior technology and superior customer experience stand to benefit. With rising per capital income, rapid growth in consumption and multi-fold increase in investment spending; brokerage sector seems to be in a sweet spot.

178.72%

Growth in no. of demat accounts in past 3 years

61.88%

Growth in no. of MF folios in past 3 years

OUR RESPONSE

Over the past few years, 5paisa has been benefiting from the rising financial inclusion as well as the rising wave of financialization of domestic savings as the number of clients has increased 27% in FY 2022-23 alone.¹

SOURCE:

¹livemint.com, economicstimes.indiatimes.com

FAVORABLE DEMOGRAPHICS



India has the second largest population in the world with an average age of 29 years. Working population forms a sizeable chunk of the total population of the country. This, along with rapid technological advances will be the prominent drivers of economic growth. As they earn more and look for high-return investment options, brokerages stand to gain.

64.2%

Working population in India 2021

29 years

Average age of India's population

OUR RESPONSE

With India's large working age population, falling unemployment rate and financial inclusion, the potential for savings and investment in the formal financial sector has been growing. With 73% of its customers below the age of 35, 5paisa has been predominantly attracting a young client base.¹

SOURCE:

¹theprint.in

UNDERPENETRATED FINANCIAL MARKET



Financial markets in India continue to be significantly under-penetrated, relative to other developed and emerging countries. In September 2022, number of demat accounts in India surpassed the 10 Crore mark (CDSL+NSDL). This is estimated to be just 4.3% of the total population (considering that a single individual can have multiple demat accounts). Thus, there is significant room to grow investments in the capital markets.

~8%

Indians have a demat account²

~78%

Indians above 15 years old have bank accounts²

OUR RESPONSE

Despite the rapid growth in demat accounts, there is still vast potential for further growth and with digital facilities and support that 5paisa offers for all segments of investors, scope for expansion is immense.¹






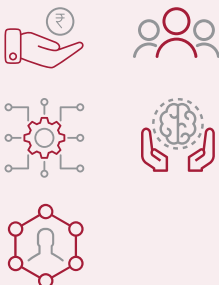
SOURCE:

¹choiceindia.com

²statista.com

RISK MANAGEMENT

Risk	Mitigation strategy	Key capitals impacted
 <p>Market risk</p> <p>As a financial technology broking services company, our business is materially affected by the conditions in the domestic and global equity, debt, currency and financial markets and economic conditions in India and throughout the world. Our revenue, level of operations and consequently, our profitability depend significantly on market conditions, regulatory and political environment, investor sentiments and other factors that affect the volume of trading in India and the level of interest in Indian business developments. A continuous market downturn would likely lead to a decline in the volume of transactions that our Company executes for its clients and will result in decline in revenues received from business.</p>	<p>We aim to mitigate inherent market risks by using sound investment policies, dedicated product advisory teams and regular monitoring of performance.</p>	
 <p>Technology risk</p> <p>Our IT systems may be vulnerable to computer viruses, ransomware and malware infection, phishing, brand abuse, security attack, data leakage, website and application hacking or similar disruptive problems. These problems caused by third parties could lead to disruptions in our Company's services to its clients. Solving such problems may entail interruptions, delays or temporary suspension of services, which could result in loss of revenue and dissatisfaction of customers. Breaches of information technology systems, including through phishing or hacking may result in unauthorized access to our Company's content. Such continuous breaches of information technology systems may require us to introduce more security features and that will entail further expenditure to put in place more advanced security systems to prevent any unauthorized access to our networks. This may have a material adverse effect on our Company's earnings and financial condition.</p>	<p>We remain committed to maintaining the highest levels of quality, superior service management, robust information security practices and mature business continuity management.</p> <p>Our Company successfully completed the annual ISO 27001: 2013 (ISMS) surveillance audit in December 2021.</p> <p>We have adhered to various applicable laws and regulations in terms of technology, business continuity management and information security from SEBI, BSE, NSE, MCX, CDSL, among others.</p> <p>The technology used in our Company comprises industry standard business applications and robust IT infrastructure.</p> <p>These capabilities are used to manage business operations, improve overall productivity & efficiency and provide seamless and world-class experience to our clients.</p> <p>We have strengthened our information and cyber security mechanisms and other risk measures to mitigate potential threats, risks and challenges.</p> <p>We also implemented tools for mitigating various security risks including privileged identity management, advanced malware detection and protection, end-point encryption, mobile device management, protection from network & application layer attacks and secured internet & remote access. We have procured Cyber Insurance Cover to protect from financial losses.</p> <p>We have introduced various e-learning modules on technology and other business areas for employees via online training.</p>	

Risk	Mitigation strategy	Key capitals impacted
 <p>Reputation risk</p> <p>In our business, brand building plays a crucial role. Our Company continuously aims to strengthen its brand reputation. Promoting and positioning of the brand will depend largely on the success of our Company's marketing efforts and its ability to provide high quality services. Brand promotion activities require cash outflow in shorter period of time and may require longer period to increase revenues which can result into lower profitability for some time. Failure to promote and maintain the brand could result in our Company's business, financial condition and results of operations being adversely affected.</p>	<p>Our Company has fostered a culture that enables operating managers to say 'No' to poor quality business. In addition, we have in place a stringent employee code of conduct and trading guidelines, which are to be followed by every employee. Our Company's policies and processes ensure closer monitoring and strict disciplinary actions against those deviating from the same. We pay special attention to issues that may create a reputational risk. Events that can negatively impact our Company's position are handled cautiously ensuring utmost compliance and in line with the values of our Company.</p>	
 <p>Human Resource risk</p> <p>Our Company is exposed to the risk arising from misconduct, fraud or trading errors by its employees such as indulgence in unauthorized transactions by employees, misreporting of and non-compliance with various statutory and legal requirements, improper use of confidential information and operational errors. It may not always be possible to deter employees from or otherwise prevent misconduct and the precautions we take to detect and prevent these activities may not always be effective. Any instance of employee misconduct, fraud or improper use or disclosure of confidential information could result in regulatory and legal proceedings which if unsuccessfully defended, could materially and adversely affect our business operations, future financial performance and/or reputation.</p>	<p>Our Company has a strong focus in ensuring that employees are adequately trained in their job functions, implemented all HR-related policies and on all compliance-related trainings. The HR department ensures all statutory compliances with labor laws and other relevant statutes are strictly adhered to. We have in place strong background screening standards for incoming employees and there is effective segregation of duties to reduce risk of fraud.</p>	
 <p>Regulatory risk</p> <p>Given the nature of our business and the fact that we are a listed entity, we are governed by several regulations defined by several authorities, namely, SEBI, etc.</p> <p>Any delay or failure on our part to comply with applicable regulations in an effective and timely manner could entail levy of penalty on our Company. In such instances, there may be financial implications on our Company, as well as loss of reputation.</p>	<p>We have a dedicated team of subject matter experts working on compliance round the clock to ensure all our business activities fall within the regulatory purview and all laws applicable to us are complied with, efficiently.</p>	

CARING FOR PEOPLE AND THE PLANET



ENVIRONMENTAL FOOTPRINT

- 100% digital onboarding process
- Treatment of e-waste in an environment-friendly manner
- Promoted tree plantation at all our premises and spread awareness to "save water" among all employees
- Enhanced digitalization and electronic documentation

INFORMATION AND CYBER SECURITY

- Defense in depth security approach to safeguard information
- A comprehensive cyber security and cyber resilience framework, imbibing industry best practices and cover all aspects of prevention and response
- Highly secured information systems and with adequate controls are in place
- Organization is ISO 27001:2013 certified



CORPORATE GOVERNANCE

- Well-defined whistle blower policy adopted
- Experienced and diverse team of Independent Board of Directors
- Timely compliance with all SEBI/exchanges and other regulations
- Updating investors for all business decisions/actions through various modes on time

 CSR

SAKHIYON KI BAADI PROGRAM

Sakhion Ki Baadi is an initiative of IIFL Foundation, that focuses on delivering Foundational Literacy and Numeracy (FLN) skills to girls from marginalized and vulnerable communities of Rajasthan, who have either dropped out of schools or have never been enrolled at one. The girls are gradually assisted to secure enrollment at the nearest government school and sustain their academic journey.

The program is supported by 5paisa at 18 locations in Udaipur district, enabling an engagement with 500+ girls.

The initiative contributes to conservation of indigenous languages, provides employment to native females and promotes skill building of women from marginalized communities. The initiative is helping to meet 3 of the UN's Sustainable Development Goals – Quality Education, Gender Equality and Reduced Inequalities.



DONATION DRIVE: CHILD HELP FOUNDATION

We conducted a drive to promote children's healthcare in Mumbai .



Another significant aspect of our HR practices is our focus on training and development. We believe that providing necessary training is essential for creating a knowledgeable and skilled workforce. By investing in employee training, we ensure that our employees are equipped to handle their roles with confidence and independence. Our training programs are supported by technology enablers, which allow us to offer various learning methods, such as e-learning modules, video-based modules, stimulation learning and mobile-based learning. These initiatives foster continuous learning and

development, enabling employees to adapt to evolving industry trends and regulatory requirements.

In line with our commitment to being a compliant business, we provide learning aids and modules on essential topics like Anti-Money Laundering, Prevention of Sexual Harassment, Prevention of Insider Trading, Anti-Bribery & Corruption, Information Security, and more. This emphasis on compliance underscores our dedication to ethical practices and a safe work environment for all employees.

At 5paisa, we embrace cultural festivities as a team, promoting a sense of unity and camaraderie, enhancing collaboration and teamwork while fostering a positive work environment.



All in all, our HR practices demonstrate our dedication to fostering a conducive and productive work environment. By combining strong leadership, technology enablement, and a focus on training and development, we aspire for our employees to have all the necessary support and resources to thrive and contribute to the success of the organization.

BOARD OF DIRECTORS



Dr. Archana Hingorani
Chairperson and Independent Director

Dr. Archana Hingorani holds an M.B.A. and Ph.D. in Finance from the University of Pittsburgh, United States. She has over three decades of experience in the asset management business, teaching and research. She has been associated with the IL&FS Group until 2017 in various capacities, including CEO of IL&FS Investment Managers Limited. Beyond garnering rich experience in fund raising, investing, nurturing investments through four different economic cycles and carving exit paths, among others, she has mentored and nurtured smaller start-ups in the technology, education, financial inclusion, with a special focus on enterprises run by women. She has been named as the most influential woman in India by various publications, including Business Today in 2011, 2012 and 2013; Asian Investor in 2014 and Fortune India in 2014, 2015 and 2016. Dr. Archana is a Member of the Audit, Nomination and Remuneration Committees, Stakeholder Relationship Committee and the Chairperson of the Risk Management Committee of the Company.



Mr. Prakarsh Gagdani
Whole-Time Director & Chief Executive Officer

Mr. Prakarsh Gagdani has a Post Graduate Diploma Degree in Business Management from Pondicherry University and has done his bachelor's in Business Management from Mulund College of Commerce, Mumbai University. He has almost two decades of cross-functional experience in sales, advisory, product development and business development. In the past, he has been associated with Angel Broking Limited for about twelve years. Prakarsh is a Member of the Stakeholder's Relationship, Corporate Social Responsibility and Risk Management Committees and the Chairman of the Finance Committee of the Company.



Ms. Nirali Sanghi
Independent Director

Ms. Nirali Sanghi founded India Parenting Private Limited in 1999 and serves as its Chief Executive Officer and President. Prior to that, she served at Erstwhile Baring Brothers (New York), Citibank (New York and Mumbai) and The Boston Consulting Group (Mumbai). Ms. Sanghi has a bachelor's degree in Economics and Computer Science from Barnard College, Columbia University, New York, USA and M.B.A. in Finance and Marketing from Columbia Business School (New York, USA). Nirali is a Member of the Audit Committee, the Chairperson of Nomination & Remuneration Committee and Stakeholder Relationship Committee of the Company.



Mr. Ravindra Garikipati
Independent Director

Mr. Ravindra Garikipati is an entrepreneur and technologist with over three decades of experience, largely in technology and executive leadership roles. He is a Board member and advisor to many late-stage start-ups and an active angel investor in deep tech, fintech and consumer tech start-ups. He has recently co-founded a fintech start-up Davinta Finserv, which focusses on financial inclusion for the bottom of the pyramid. Prior to that, as a CTO at Flipkart, he defined and executed the technology vision and roadmap to transform commerce. Before his stint at Flipkart, he was the President and Chief Technology Officer at [24]7.ai, a Sequoia funded company where he led global product and technology groups to build one of the largest omni-channel client acquisition and engagement platforms. He has also held various senior engineering management positions at Oracle and Covansys, where he gained extensive experience in building scalable enterprise application architectures and services. He is a member of the Nomination and Remuneration Committee of the Company.



Mr. Milin Mehta
Independent Director

Mr. Milin Mehta is a Chartered Accountant and has been a senior partner of K. C. Mehta & Co., Chartered Accountants (Baroda, Mumbai, Ahmedabad, and Bengaluru) for the past three decades. He is a Fellow Member of the Institute of Chartered Accountants of India and a Law Graduate with a master's degree in Commerce. Mr. Mehta was a special invitee to the Committee of the Institute of Chartered Accountants for making a representation before the Central Board of Direct Taxes / Standing Committee of the Parliament on formation of the new Direct Tax Code. He has been the Treasurer and Vice Chairman of the Western India Regional Council of the Institute of Chartered Accountants of India and has also co-authored a book on Minimum Alternate Tax, published by the Bombay Chartered Accountants' Society. He is a Chairman of the Audit and Corporate Social Responsibility Committees and a Member of the Nomination and Remuneration Committee of the Company.



Mr. Gourav Munjal
Whole-Time Director and
Chief Financial Officer

Mr. Gourav Munjal has a bachelor's degree in Commerce from Kurukshetra University and is a qualified Chartered Accountant, Company Secretary, and a diploma holder in IFRS from the Association of Chartered Certified Accountants (ACCA). He has more than 12 years of experience in the field of Finance, Accounts, Treasury, MIS, Cost Control and Process improvements. Before joining the Company, he was associated with the IIFL Group and has handled same functions. He is a member of the Risk Management Committee, the Corporate Social Responsibility Committee, the Finance Committee and the ESG Committee.

AWARDS AND ACCOLADES



Certified - Great Place to Work 2022-23



The Great Indian BFSI CEO of The Year - Prakarsh Gagdani



The Great Indian BFSI fastest growing company of the year



Naya Bharat Business Conclave 2022



Excellence in Online Share Trading



Won Silver Digixx Awards 2022



Best Integration of Digital Content with TV



STATUTORY REPORTS

- 36** Directors' Report
 - 60** Business Responsibility and Sustainability Report
 - 90** Corporate Governance Report
 - 128** Management Discussion and Analysis
-

FINANCIAL STATEMENTS

- 142** Standalone
- 204** Consolidated

Directors' Report

Dear Members,

We, the Board of Directors ("Board") are pleased to present the Sixteenth (16th) Annual Report of 5paisa Capital Limited ("5paisa Capital", "our Company", "We") along with the Audited Financial Statements for the Financial Year ended March 31, 2023 ("year under review" or "year" or "FY 2022-23"). The consolidated performance of our Company and its subsidiaries has been referred to wherever required.

In compliance with the applicable provisions of Companies Act, 2013, (including any statutory modification(s) or re-enactment(s) thereof, for time being in force) ("Act") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Regulations"), this report covers the financial results and other developments in respect of 5paisa Capital Limited during the financial year ended March 31, 2023 and upto the date of the Board Meeting held on May 01, 2023 to approve this report.

1. FINANCIAL RESULTS

Our Company's Standalone and Consolidated financial performance during Financial Year 2022-23, as compared with that of the previous Financial Year 2021-22 is summarized below:

(₹ In Millions)

Particulars	CONSOLIDATED		STANDALONE	
	2022-23	2021-22	2022-23	2021-22
Gross total income	3,393.68	2,979.81	3,381.47	2,975.67
Profit/(Loss) before interest, depreciation and taxation	875.16	454.02	864.29	461.15
Interest and financial charges	206.34	218.69	206.34	218.69
Depreciation	87.94	50.29	80.40	42.75
Profit/(Loss) before tax	580.89	185.04	577.55	199.72
Taxation- Current	83.18	-	82.91	-
- Deferred	62.05	47.68	61.67	51.37
- Short or excess provision for income tax	-	-	-	-
Net profit/ (Loss) for the year	435.67	137.36	432.97	148.35
Less: Appropriations	-	-	-	-
Add: Balance brought forward from the previous year	(355.89)	(493.25)	(318.28)	(466.63)
Balance to be carried forward	79.77	(355.89)	114.69	(318.28)

Note: Previous periods figures have been regrouped / rearranged wherever necessary

The statement containing extract of subsidiaries financial statement are provided on the corporate website at <https://www.5paisa.com/investor-relations>.

2. CONSOLIDATED FINANCIAL STATEMENTS:

The Consolidated Financial Statements of our Company for the FY 2022-23 are prepared in compliance with the applicable provisions of the Companies Act, 2013 ('the Act'), Indian Accounting Standards ('Ind AS') and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ['SEBI (LODR) Regulations'].

them to take measured decisions, invest through its mobile application and elevate their participation and gains from the financial market.

Read more about our performance during the year on page no. 128 of this Report.

3. REVIEW OF BUSINESS AND OPERATIONS AND STATE OF YOUR COMPANY'S AFFAIRS

We, at 5paisa Capital, are committed to fostering the financial journeys of both prevailing and first-time investors. We provide them with a digital platform with various features that helps investors to educate themselves about the world of investments, authorize

During the year, we focused on leveraging technology to strengthen our business processes, ensure deeper market penetration and deliver a superior customer experience. As a result, we have cemented our position as a strong player in the discount broking space, offering superior products and services.

The growing penetration of internet and smartphone in the country has helped our Company to expand

Director's Report (Contd.)

its customer base. We have leveraged an integrated investment platform to capitalize on the opportunity. Our mobile application / web platform has helped individuals to trade across equity, F&O, commodity, currency segments; invest in mutual fund and insurance; or facilitate algorithm based robo advisory services.

As capital market participation remains low in India when compared to the other developed nations, there is an enormous opportunity for growth. The outlook for financial products distribution looks healthy with gradual resumption of economic activities. Retail participation is expected to increase, given the favourable demographics, rising financial literacy and increasing smart phone and internet penetration. With the ever-increasing demand for financial transactions, the digital payments ecosystem has also been evolving continuously. These factors will enable us in fuelling 5paisa Capital's future growth trajectory.

4. MACRO-ECONOMIC OVERVIEW

Read more about our performance during the year on page no. 128 of this Report.

5. INDUSTRY OVERVIEW

Read more about our performance during the year on page no. 128 of this Report.

6. KEY INITIATIVES / DEVELOPMENTS

a. Conversion of Share Warrants:

The Capital Raising Committee of the Board of Directors of our Company in its meeting held on August 02, 2022 allotted 12,00,000 Equity Shares pursuant to exercise of options attached to the convertible warrants held by Mr. Nirmal Jain, Mrs. Madhu Jain & Mr. Venkataraman Rajamani, Promoters of the Company, consequent to the receipt of notice for exercise, along with the balance 75% of the application money (being ₹ 375/- per share) due on the said warrants, i.e. ₹ 45,00,00,000 (INR Forty Five Crore only). The trading approval for the 12,00,000 equity shares was received by our Company from BSE and NSE on August 25, 2022. However, the allotted shares are locked-in up to August 29, 2025 as required by SEBI (ICDR) Regulations, 2018.

b. Scheme of Arrangement between IIFL Securities Limited and 5paisa Capital Limited and their respective shareholders and creditors:

The Board of Directors at their meeting held on December 06, 2022, approved the Scheme of Arrangement between IIFL Securities Limited

and 5paisa Capital Limited and their respective shareholders and creditors under Section 230-232 of the Companies Act, 2013, as amended read with other applicable provisions of the Act and Rules made thereunder, which envisages the transfer of the Online Retail Trading Business (Demerged Undertaking) from the IIFL Securities Limited to our Company, so as to consolidate the said business under our Company subject to the approval of the shareholders and such other class of persons as directed by the Hon'ble National Company Law Tribunal, Mumbai Bench (Hon'ble NCLT), sanction of the Hon'ble NCLT and such other approvals as may be required.

Our Company has filed an application with BSE Limited, National Stock Exchange of India Limited and such other membership departments wherein your Company holds membership for obtaining No Objection Certificate pursuant to Regulation 37 of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 and the same is under process. We shall file an application to the Hon'ble National Company Law Tribunal (NCLT), Mumbai Bench for the sanction of scheme post receipt of No Objection Certificate from the aforesaid exchanges and other authorities.

Upon the Scheme becoming effective, our Company shall issue 1 (one) fully paid up equity share of INR 10 (Indian Rupees Ten only) each for every 50 (fifty) equity shares of INR 2 (Indian Rupees Two only) each of IIFL Securities Limited.

The details of the Scheme and other related documents are available on our company's corporate website at <https://www.5paisa.com/investor-relations>.

c. Setting up of 5paisa International Securities (IFSC) Limited:

With a view to offer diversified products to its customers, our Company intends to offer an option to its clients for trading in US stocks by registering itself with NSE IFSC Ltd. as a trading cum clearing member. Consequently, our Company has incorporated a wholly owned IFSC subsidiary viz. 5paisa International Securities (IFSC) Limited and is in process of seeking all the regulatory licenses and permissions to commence its operations shortly.

Director's Report (Contd.)
7. RETURN TO INVESTORS (DIVIDEND):

In order to conserve the resources of our Company for future expansion, the Directors have decided not to recommend any dividend on equity shares of our Company for the financial year under review.

The Dividend Distribution Policy is available on the website at https://storage.googleapis.com/5paisa-prod-storage/files/investor_relations/2022-04/Dividend%20Distribution%20Policy_1.pdf

8. TRANSFER TO GENERAL RESERVE:

During the year under review, our Company has not transferred any amount to the reserves.

9. TRANSFER OF FUNDS TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF):

Pursuant to the provisions of Section 124 and 125 of the Companies Act, 2013 ("Act") read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), all unpaid or unclaimed dividends are required to be transferred by our Company to the Investor Education and Protection Fund ("IEPF" or "Fund") Account established by the Central Government, after completion of seven years from the date the dividend is transferred to unpaid/unclaimed account. Further, according to the Rules, the shares in respect of which dividend has not been paid or claimed by the members for seven consecutive years or more shall also be transferred to the demat account created by the IEPF Authority after complying with the procedure laid down under the Rules.

During FY 2022-23, our company had not transferred any shares to 'IEPF' Account.

However, as on the March 31, 2023, ₹ 0.18 million is lying as the unclaimed fractional entitlements in the unpaid fractional shares account.

10. AWARDS AND RECOGNITION:

During the year under review, our Company received numerous awards and accolades which were conferred by reputable organizations and is designed to honor the efforts made by us and the details of the same are given herein below:

- **The Great Indian BFSI CEO of the Year**

Mr. Prakarsh Gagdani, Chief Executive Officer and Whole-Time Director of our Company has been recognized as The Great Indian BFSI CEO of the Year.

- **The Great Indian BFSI fastest growing Company of the Year**

5paisa Capital Limited was recognized as "The Great Indian BFSI fastest growing Company of the Year".

- **Naya Bharat Business Conclave 2022**

5paisa Capital Limited was awarded in Naya Bharat Business Conclave 2022.

- **Excellence in Online Share Trading**

5paisa Capital Limited was recognized as "Excellence in Online Share Trading".

- **Digixx Awards 2022**

5paisa Capital Limited won Silver in Digixx Awards 2022.

- **Best Integration of Digital Content with TV**

5paisa Capital Limited was recognized as "Best Integration of Digital Content with TV".

11. SHARE CAPITAL:

The paid up equity share capital of our Company as on March 31, 2023 was ₹ 306,355,680/- divided into 30,635,568 equity shares of ₹ 10/- each as compared to ₹ 294,173,180/- divided into 29,417,318 equity shares of ₹ 10/- each as on March 31, 2022.

The increase in the share capital was on account of issuance of 12,00,000 equity shares on preferential basis to promoters pursuant to conversion of Share Warrants as mentioned above in Point No. 6 of this Report and pursuant to exercise of 18,250 ESOPs granted under the 5paisa Capital Limited Employee Stock Option Scheme 2017, by eligible employees, which were converted into equity shares ₹ 10/- each.

12. EMPLOYEES STOCK OPTION SCHEMES ("ESOS"):

Presently, our Company has two Schemes which are prepared as per the provisions of SEBI (Share Based Employee Benefits) Regulations, 2014 ("SBEB Regulations"):

- 1) 5paisa Capital Limited Employee Stock Option Scheme 2017 ("**5PCL ESOS 2017**") was approved by shareholders vide a special resolution dated January 25, 2018.
- 2) 5paisa Capital Limited Employee Stock Option Trust Scheme 2017 ("**5PCL ESOTS 2017**") was approved by shareholders vide a special resolution dated January 25, 2018.

Director's Report (Contd.)

During the year under review, there was no material change in ESOS of our Company. As per Regulation 14 of "SBEB Regulations", read with SEBI circular no. CIR/CFD/POLICY CELL/2/2015 dated June 16, 2015, the details of the "ESOS" are uploaded on our corporate website at <https://www.5paisa.com/investor-relations> and the same is available for inspection by the Members at the Registered Office of our Company. If any member is interested in obtaining a copy thereof, such member may write to the Company Secretary, whereupon a soft copy would be sent at the registered email address of the Member. A certificate from Secretarial Auditor of the Company confirming that the Scheme has been implemented in accordance with the applicable Regulations would be made available for inspection by Members through electronic means.

13. INCREASE IN SIZE OF ESOP POOL:

The Board of Directors in their meeting held on January 11, 2023 and pursuant to recommendation of Nomination and Remuneration Committee, approved the increase in size of ESOP Pool for grant of options to eligible employees under the Employee Stock Option Scheme-2017 from 15,00,000 (Fifteen Lakhs) options to 22,00,000 (Twenty-two Lakhs) options convertible into equity shares of ₹ 10/- each of the Company. Further, the members *vide* Special Resolution dated March 01, 2023 passed through postal ballot also approved the same.

14. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

Particulars of loans, guarantees given and investments made during the year, as required pursuant to the provisions of Section 186 of the Companies Act, 2013 and schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR Regulations"), forms part of the financial statements.

15. DEPOSITS:

Our Company has not accepted any deposits from public falling under the ambit of Section 73 of the Companies Act, 2013 and the Rules framed thereunder and as such, no amount on account of principal or interest on deposits from public was outstanding as on the Balance Sheet date.

Further, our Company does not intend to raise any public deposits, in terms of its declaration to the Reserve Bank of India.

16. SUBSIDIARIES:

- **5paisa P2P Limited**

During the year under review, the company continued its operations as P2P NBFC. However, the lending and borrowing activities on the said platform were carried out conservatively.

- **5paisa Corporate Services Limited (Formerly known as 5paisa Insurance Brokers Limited)**

Since, no business was undertaken in the company from the date of incorporation and on account of its inability to register as an Insurance Broker, the management decided to change the main object of the Company and undertake different business under the said company. Accordingly, the name of the company was changed from '5paisa Insurance Brokers Limited' to '5paisa Corporate Services Limited' with effect from November 16, 2022 pursuant to receipt of fresh Certificate of Incorporation dated November 16, 2022 issued by the Registrar of Companies, Mumbai, in order to align with the main object of the company. The Company shall commence its business shortly.

- **5paisa Trading Limited**

During the year under review, the Company commenced its business by offering an online trading platform to its clients to trade in Digital Gold.

- **5paisa International Securities (IFSC) Limited**

5paisa International Securities (IFSC) Limited was incorporated as a public limited company on June 15, 2022 as a wholly owned subsidiary of 5paisa Capital Limited. 5paisa International Securities (IFSC) Limited is incorporated with the intention of carrying out business of IFSC (International Financial Service Centre) Unit and act as intermediary in IFSC. The Company is in process of registration with NSE IFSC Limited as a trading cum clearing member and shall commence its operations after receipt of necessary clearances / licenses.

17. CONSOLIDATED FINANCIAL STATEMENTS:

As per the provisions of section 134 and 136 of the Companies Act, 2013 read with applicable Rules, Regulation 33 of LODR Regulations and applicable Accounting Standards, the Board of Directors had in their meeting held on May 01, 2023 approved the Consolidated Financial Statements of our Company along with the Standalone Financial Statements. Copies of the Balance Sheet, Statement of Profit & Loss, Report of the Board of Directors and Report

Director's Report (Contd.)

of the Auditors of the subsidiary company are not attached to the accounts of our Company for the financial year 2022-23. Our Company will arrange for soft copies of these documents/ details upon request by any member of the Company and dispatch the same on the registered email address of the member.

These documents/details will also be available for inspection by any member of our Company at its registered office and at the registered offices of the concerned subsidiary during the business hours on working days i.e. except on Saturdays, Sundays and Public Holidays. If any member is interested in obtaining a copy thereof, such member may write to the Company Secretary, whereupon a soft copy of the same would be sent to the registered email address of the member. The Annual Report of subsidiaries is uploaded on our corporate website at <https://www.5paisa.com/investor-relations>. As required by Companies Act, 2013 and Accounting Standard - 21 (AS 21) issued by the Institute of Chartered Accountants of India, our Company's Consolidated Financial Statements included in this Annual Report incorporate the accounts of its subsidiaries. A report on the performance and financial position of the subsidiaries is provided in the prescribed form AOC-1 as "Annexure-I" to this Directors' Report.

The policy on determining the material subsidiary is available on our corporate website at <https://storage.googleapis.com/5paisa-prod-storage/files/investor-relations/2021-05/policy-on-determining-material-subsiary.pdf>.

18. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

In accordance with Regulation 34 of LODR Regulations, the Management Discussion and Analysis Report is presented in separate section to this Annual Report.

19. BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT:

Pursuant to Regulation 34(2) of the Listing Regulations read with SEBI Circular No. CIR/CFD/CMD/10/2015 and PR No. 18/2021 dated November 04, 2015 and May 10, 2021 respectively, the Business Responsibility and Sustainability Report describing the initiatives taken by our Company, from an environmental, social and governance perspective is provided in a separate section and forms part of this Annual Report.

20. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

a. Directors:

The Board comprises of the following Directors as on March 31, 2023.

Mr. Prakarsh Gagdani (DIN: 07376258)	Whole-Time Director
Mr. Gourav Munjal (DIN: 06360031)	Whole-Time Director
Dr. Archana Hingorani (DIN: 00028037)	Non – Executive Independent Director
Mr. Milin Mehta (DIN: 01297508)	Non – Executive Independent Director
Mr. Ravindra Garikipati (DIN: 00984163)	Non – Executive Independent Director
Ms. Nirali Sanghi (DIN: 00319389)	Non – Executive Independent Director

I. Changes in Board Composition

During the year under review, there were no changes in the composition of the Board.

II. Retirement by Rotation

In accordance with Section 152 of the Companies Act, 2013 ("Act") read with Article 157 of the Articles of Association of the Company, Mr. Gourav Munjal (DIN: 06360031), Whole Time Director and Chief Financial Officer of our Company is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment. The Board recommends their re-appointment for the approval of members. A resolution seeking approval of the members for his re-appointment forms part of the Notice of 16th AGM of our Company.

There was no change in the composition of the Board of Directors and Key Managerial Personnel during the financial year ended March 31, 2023, except as stated above.

b. Key Managerial Personnel:

Pursuant to the provisions of Section 203 of the Companies Act, 2013 and rules made thereunder,

Director's Report (Contd.)

the Key Managerial Personnel of our Company as on March 31, 2023 are:

Mr. Prakarsh Gagdani	: Whole-Time Director & Chief Executive Officer
Mr. Gourav Munjal	: Whole-Time Director & Chief Financial Officer
Mrs. Namita Godbole	: Company Secretary & Compliance Officer

The Remuneration and other details of the Key Managerial Personnel for the year ended March 31, 2023 are mentioned in Form MGT-7 - Annual Return which can be accessed on our corporate website at <https://www.5paisa.com/investor-relations>.

Further, pursuant to SEBI Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/24 dated February 06, 2023, your company has recognized and has designated following CXO level officers as a Key Managerial Personnel of your company for managing the key risks.

Mrs. Namita Godbole	: Chief Compliance Officer
Mr. Yogesh Maroli	: Chief Information Security Office

21. MEETING OF DIRECTORS AND COMMITTEE/BOARD EFFECTIVENESS:

- **Meetings of the Board of Directors**

The Board met Five (5) times during the year to discuss and approve various matters including financials, raising of funds, review of audit reports and other businesses. For further details please refer to the report on Corporate Governance.

- **Committees of the Board of Directors (as on March 31, 2023)**

In accordance with the applicable provisions of the Companies Act, 2013 and LODR Regulations, the Board has in place the following Committees:

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders Relationship Committee
- Finance Committee
- Risk Management Committee
- Corporate Social Responsibility Committee

- Environment, Social and Governance (ESG) Committee
- Independent Directors (ID) Committee

- **Audit Committee:**

During the year, there was no change in the composition of Audit Committee. The Audit Committee met Five (5) times which is in compliance with the provisions of LODR Regulations and Companies Act, 2013. The Committee comprises of Mr. Milin Mehta as the Chairman, Ms. Nirali Sanghi and Dr. Archana Hingorani as the Members of the Audit Committee.

The role, terms of reference and powers of the Audit Committee are in conformity with the requirements of the Companies Act, 2013 and LODR Regulations. The Committee met during the year under review and discussed on various matters including financials and audit reports. During the period under review, the Board of Directors of our Company accepted all the recommendations of the Audit Committee.

The terms of reference of Audit Committee and details of Committee Meeting are provided in the Corporate Governance Report.

- **Nomination & Remuneration Committee**

During the year, the Nomination & Remuneration Committee met Two (2) times. The Committee comprises of Ms. Nirali Sanghi as the Chairperson, Dr. Archana Hingorani, Mr. Ravindra Garikipati and Mr. Milin Mehta as members of the Committee.

The role, terms of reference and powers of the Nomination & Remuneration Committee are in conformity with the requirements of the Companies Act, 2013 and LODR Regulations and the same has been provided in the Corporate Governance Report.

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a Nomination and Remuneration Policy in compliance with the aforesaid provisions for selection and appointment of Directors, Key Managerial Personnel (KMP), Senior Managerial Personnel (SMP) of our company. The said policy is stated in the Corporate Governance Report of our Company and can also be accessed on our corporate website at <https://www.5paisa.com/investor-relations>.

Director's Report (Contd.)

The details of Committee Meeting are provided in the Corporate Governance Report.

- **Stakeholders Relationship Committee**

During the year, the Stakeholders Relationship Committee met one (1) time in compliance with the provisions of LODR Regulations and Companies Act, 2013. The Committee comprises of Ms. Nirali Sanghi as the Chairperson, Dr. Archana Hingorani and Mr. Prakarsh Gagdani as the Members of the Committee.

The role, terms of reference of the Stakeholders Relationship Committee are in conformity with the requirements of the Companies Act, 2013 and Regulation 20 of LODR Regulations and the same has been provided in the Corporate Governance Report.

During the year under review, our Company has not received any complaints from any Stakeholders. The details of the Meeting are given in the Corporate Governance Report.

- **Finance Committee**

During the year, the Finance Committee met Eighteen (18) times. The Committee comprises of Mr. Prakarsh Gagdani as the Chairman and Mr. Gourav Munjal as the member of the Committee.

The role and terms of reference of the Finance Committee are in conformity with the requirements of the Companies Act, 2013 and Regulation 20 of LODR Regulations and the same has been provided in the Corporate Governance Report.

The details of the Meetings are given in the Corporate Governance Report.

- **Risk Management Committee**

During the year, the Risk Management Committee met Two (2) times. The Committee comprises of Dr. Archana Hingorani as Chairperson, Mr. Prakarsh Gagdani and Mr. Gourav Munjal as the member of the Committee.

Our Company is exposed to a lot of inherent uncertainties owing to the sector in which it operates. A key factor in ascertaining a company's capacity to maintain its sustainable value is the risks that it is willing to take at both - strategic and operational level and its ability to manage them effectively.

Our Company's Risk Management processes focus on ensuring that the risks to which our company is exposed to, at all times, are identified on a timely basis and addressed with appropriate solutions. Further, as mandated by LODR Regulations, the Board of Directors, in its meeting held on April 20, 2021, has constituted a Risk Management Committee.

The Committee has adopted a Risk Management policy which outlines the role, responsibilities and powers of the Committee and the procedure and periodicity for organizing the meeting of the Committee. The purpose of the Committee is to assist the Board of Directors in fulfilling its oversight responsibilities with regard to enterprise risk management. The Committee shall review the risk management practices and actions deployed by the Management with respect to identification, impact assessment, monitoring, mitigation and reporting of key risks while at the same time trying to achieve its business objectives. Further, the Committee shall endeavor to assist the Board in framing, implementing and monitoring the risk management plan for our Company and reviewing and guiding the risk policy.

The Committee shall have the primary responsibility of implementing the Risk Management Policy of our Company and achieving the stated objective of developing a risk mitigated culture that supports decision making and helps improve our Company's performance.

The role, terms of reference of the Risk Management Committee are in conformity with the requirements of the Companies Act, 2013 and LODR Regulations and the same has been provided in the Corporate Governance Report.

The Directors, on a regular basis:

- (a) oversee and approve our Company's enterprise-wide risk management framework
- (b) oversee that all the risks that the organization faces such as strategic, financial, credit, market, liquidity, security, property, IT, legal, regulatory, reputational KYC Risk, technology risks, operational risk, general risk which includes fraud risk, risk due to outsourcing of activities to third parties and other risks have been identified and assessed and there is an adequate risk management infrastructure in place capable of addressing those risks.

Director's Report (Contd.)

Our company has in place various policies and procedures covering the business, operations, employees, finance & accounting, customer services which are approved by the Board.

Our Company has in place specialized internal audits on Broking and Depository Participant business as per the SEBI / Exchanges / Depositories norms. The findings on Audit Reports are reviewed by the Audit Committee / Board at their periodical meetings and the reports are submitted to the Exchanges / Depositories.

Our management monitors and reports on the principal risks and uncertainties that can impact our Company's ability to achieve its strategic objectives.

Our management systems, organizational structures, processes, standards and code of conduct together form the risk management governance system of our Company and management of associated risks.

- **Corporate Social Responsibility Committee**

During the year, the Corporate Social Responsibility Committee met One (1) time. The Committee comprises of Mr. Milin Mehta as Chairman, Mr. Prakash Gagdani and Mr. Gourav Munjal as Members of the Committee.

The Board of Directors, in their meeting held on April 20, 2021 has framed and adopted the Corporate Social Responsibility (CSR) policy, which can be accessed on our corporate website, at https://storage.googleapis.com/5paisa-prod-storage/files/investor_relations/2022-04/CSR-Policy-updated.pdf.

Annual Report on CSR activities, as required under sections 134 and 135 of the Companies Act, 2013 read with rule 8 of the (Corporate Social Responsibility Policy) Rules, 2014, as amended ("CSR Rules") is provided as "**Annexure V**" to this Directors Report.

Further, our Company is required to spend at least 2% of its average net profits during three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy.

- **Environmental, Social and Governance ("ESG") Committee**

The Environmental, Social and Governance ("ESG") Committee was constituted on December 01, 2022 and the Members of the Committee comprises of Ms. Nirali Sanghi, Independent Director, as the Chairperson, Mr. Gourav Munjal, Whole-Time Director and Chief Financial Officer and Ms. Namita Godbole, Company Secretary and Compliance officer as the Members.

The role and terms of reference of the ESG Committee has been provided in the Corporate Governance Report.

- **Independent Directors (ID) Committee**

The Independent Directors (ID) Committee was constituted on December 01, 2022 and the Members of the Committee comprises of Mr. Ravindra Garikipati, Independent Director, as the Chairman, Ms. Nirali Sanghi, Independent Director, Dr. Archana Hingorani, Independent Director and Mr. Milin Mehta, Independent Director as the Members.

The role and terms of reference of the ID Committee has been provided in the Corporate Governance Report.

The details of the Meeting are given in the Corporate Governance Report.

- **Board Effectiveness**

- **Familiarization Program for the Independent Directors:**

In compliance with the requirements of LODR Regulations, our Company has put in place a Familiarization Program for Independent Directors to familiarize them with the working of our Company, their roles, rights and responsibilities vis-à-vis our Company, the industry in which the Company operates business model etc. Details of the Familiarization Program are explained in the Corporate Governance Report and are also available on our corporate website at https://storage.googleapis.com/5paisa-prod-storage/files/investor_relations/2021-04/familiarisation-programmes.pdf

Director's Report (Contd.)

- **Board Evaluation:**

Pursuant to the provisions of the Companies Act, 2013 and LODR Regulations and SEBI Circular No. SEBI/CFD/CMD/CIR/P/2017/004 dated January 05, 2017, the Board of Directors have carried out an annual performance evaluation of its own performance, its Committees, the Directors individually including Independent Directors (wherein the concerned Director being evaluated did not participate) based out of the criteria and framework adopted by the Board. The Board approved the evaluation results as collated by Nomination & Remuneration Committee ("NRC"). The evaluation process, manner and performance criteria for independent directors in which the evaluation has been carried out is explained in the Corporate Governance Report which forms part of this Annual Report. The Board is responsible to monitor and review the evaluation framework.

The Board considered and discussed the inputs received from the Directors. Also, the Independent Directors at their meeting held on March 21, 2023 reviewed the following:

- Performance of Non-Independent Directors and the Board and the Committee as a whole.
- Performance of the Chairperson of your Company.
- Assessed the quality, quantity and timeliness of flow of information between our Company's management and the Board, which is necessary for the Board to effectively and reasonably perform their duties.

The Independent Directors expressed their satisfaction with overall functioning and implementations of their suggestions.

The evaluation process endorsed the Board Members confidence in the ethical standards of our Company, the cohesiveness that exists amongst the Board Members, the two-way candid communication between the Board and the Management and the openness of the Management in sharing strategic information to enable Board Members to discharge their responsibilities.

- **Statement on declaration given by the Independent Directors :**

The terms and conditions of appointment of Independent Directors are as per Schedule IV of the Act. Our Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and rule 5 of the Companies (Appointment and Qualifications of Directors) Rules, 2014 and as well as under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and there has been no change in the circumstances or situation, which exist or may be reasonably anticipated, that could impair or impact the ability of Independent Directors to discharge their duties with an objective independent judgment and without any external influence.

The above declarations were placed before the Board and in the opinion of the Board, all the Independent Directors fulfil the conditions specified under the Act and the SEBI Listing Regulations and are Independent to the Management.

22. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement under Sections 134(3)(c) and 134(5) of the Companies Act, 2013, the Board of Directors, to the best of its knowledge and ability, confirm that:

- a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of our Company at the end of the financial year and of the profit or loss of our Company for that period.
- c) they 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.

Director's Report (Contd.)

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

23. INTERNAL CONTROL SYSTEMS:

Internal audit and its adequacy

The scope and authority of the internal audit function is well defined and to maintain independence and objectivity in its functions, the internal audit function reports directly to the Audit Committee of the Board. At the beginning of each Financial Year, a risk-based annual audit plan is rolled out after it is approved by the Audit Committee of the Board. The audit plan aims to evaluate the efficacy and adequacy of the internal control system(s) and compliance(s) thereof, robustness of internal processes, policies and accounting procedures, compliance with laws and regulations. The Internal Audit function, consisting of professionally qualified chartered accountants and specialists, is adequately skilled and resourced to deliver audit assurances at highest levels. Based on the reports of internal audit function, process owners undertake corrective action in their respective areas. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

Internal Financial Controls Systems and their Adequacy

Our Company has in place adequate internal controls with reference to financial statements and operations and the same are operating effectively. The Internal Auditors tested the design and effectiveness of the key controls and no material weaknesses were observed in their examination. Further, Statutory Auditors verified the systems and processes and confirmed that the Internal Financial Controls system over financial reporting are adequate and such controls are operating effectively.

Based on the framework of internal financial controls and compliance systems established and maintained by our Company, the work performed by the internal, statutory and secretarial auditors and external consultants, including the audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by management and the relevant

board committees, including the Audit committee, the Board is of the opinion that our Company's internal financial controls were adequate and effective during FY 2022-23.

24. CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES:

Our Company has put in place a policy for Related Party Transactions (RPT Policy), which has been approved by the Board of Directors. The policy provides for identification of RPTs, necessary approvals by the Audit Committee / Board / Members, reporting and disclosure requirements in compliance with Companies Act, 2013 and provisions of LODR Regulations.

All transactions with Related Parties are placed before the Audit Committee and also the Board for approval. Prior omnibus approval of the Audit Committee and the Board is obtained for the transactions which are foreseeable and of a repetitive nature. The transactions entered into pursuant to the approvals so granted are subjected to audit and a statement giving details of all related party transactions is placed before the Audit Committee and the Board of Directors on a quarterly basis. The statement is supported by a certificate from Independent Chartered Accountant.

All contracts executed by our Company during the financial year with related parties were on arm's length basis and in the ordinary course of business. All such Related Party Transactions were placed before the Audit Committee / Board for approval, wherever applicable.

During the year, our Company has entered into any contract / arrangement / transaction with related parties, which are considered as material in accordance with Regulation 23 of LODR Regulations and the same was also approved by the members in the Annual General Meeting held on July 11, 2022. The policy for determining 'material' subsidiaries and the policy on materiality of Related Party Transactions and dealing with Related Party Transactions as approved by the Board may be accessed on our corporate website at <https://www.5paisa.com/investor-relations>. You may refer to Note no. **33** to the financial statement, which contains related party disclosures.

Our Company had not entered into any contracts or arrangements or transactions under sub-section (1) of section 188 of the Act. Hence, Form AOC-2 disclosure is not required to be provided.

Director's Report (Contd.)

None of the Directors and the Key Managerial Personnel has any pecuniary relationships or transactions vis-à-vis the Company.

25. ANNUAL RETURN:

As per the requirements of Section 92(3) of the Act and Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return of our Company is available on the corporate website at <https://www.5paisa.com/investor-relations>.

26. CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION:

A Certificate from Mr. Prakarsh Gagdani, CEO and Mr. Gourav Munjal, CFO, pursuant to provisions of SEBI (LODR) Regulations, 2015, for the year under review was placed before the Board of Directors of our Company at its meeting held on May 01, 2023.

27. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF OUR COMPANY:

There have been no material changes and commitments affecting the financial position of our Company, which have occurred between the end of the financial year of our Company to which the financial statements relate and the date of this Annual Report. There has been no change in the nature of business of our Company as on the date of this Report.

However, kindly note that Exchange vide its circulars no. NSE/INSP/4519 dated July 31, 2020 and NSE/INSP/49929 dated October 12, 2021, had directed all the stock brokers for reversing the penalties levied on account of short / non-collection of upfront margins to its clients, if the same were debited to the clients in the past. Consequently, in adherence to the directions, the company had reversed an amount of ₹ 709 Lakhs to its eligible clients during the year, being the amount recovered from such clients on account of penalty levied by clearing corporation on company for "Short Collection / Non-collection of upfront margins from the client" since October 11, 2021 as per NSE Circular Ref. No. NSE/INSP/53525 dated September 02, 2022. The same has been included in "Other Expenses" of above "Statement of Standalone Financial Results" in Q3 FY 2022-23 and in FY 2022-23.

28. SECRETARIAL AUDITOR, SECRETARIAL AUDIT REPORT AND COMPLIANCE WITH SECRETARIAL STANDARDS:

In terms of the provisions of Section 204 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board has

appointed M/s. Nilesh Shah & Associates, Company Secretaries in whole-time practice, Mumbai, as Secretarial Auditor for conducting Secretarial Audit of our Company for the financial year 2022-23. The Auditor had conducted the audit and their report thereon was placed before the Board. The Secretarial Audit Report for the Financial Year 2022-23 does not contain any material observations or instances of non-compliance in respect of the same. The Secretarial Auditor's report is appended as "**Annexure – II**" to this Directors' Report. Our Company is in compliance with the Secretarial Standards, specified by the Institute of Company Secretaries of India ("**ICSI**").

29. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The additional information on energy conservation, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, is appended as "**Annexure –III**" to this Directors' Report.

30. WHISTLE BLOWER POLICY/ VIGIL MECHANISM:

Our Company since its inception believes in honest and ethical conduct from all the employees and others who are directly or indirectly associated with us.

Further, in compliance of the Companies Act, 2013 and Regulation 22 of LODR Regulations, we have adopted a Whistle Blower Policy. Our Company's vigil mechanism/ Whistle blower Policy aims to provide the appropriate platform for Whistle blowers to report instances of any actual or suspected incidents of unethical practices, violation of applicable laws and regulations including our Company's code of conduct or ethics policy or Code of Conduct for Prevention of Insider Trading in our Company, Code of Fair Practices and Disclosure. The Policy also provides for adequate safeguards against victimization of Director(s)/ Employee(s) who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee in exceptional cases. It is affirmed that no person has been denied access to the Audit Committee. Our Company has disclosed the policy at our corporate website at https://storage.googleapis.com/5paisa-prod-storage/files/investor_relations/2021-05/whistle-blower-policy.pdf.

The Audit Committee is also committed to ensure fraud-free work environment. We investigate complaints speedily, confidentially and in an impartial manner and takes appropriate action to ensure that the requisite standards of professional and ethical conduct are always maintained.

Director's Report (Contd.)

During the financial year 2022-23, no cases under this mechanism were reported to our Company and/or to any of its subsidiaries.

31. PREVENTION OF SEXUAL HARASSMENT:

We recognize our responsibility and provide equal opportunities and are committed to creating a healthy working environment that enables all our employees to work with equality and without fear of discrimination, prejudice, gender bias or any form of harassment at workplace. In compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, our Company has put in place a Policy on prevention of Sexual Harassment of Women at workplace. We have complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The policy is frequently communicated at regular intervals through various assimilation programs to all the employees.

The Directors further state that during the fiscal year 2022-23, there were no complaints pending pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The following is reported pursuant to Section 22 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

- a) Number of complaints received in the year: Nil
- b) Number of complaints disposed off during the year: Nil
- c) Number of cases pending more than ninety days: Nil
- d) Number of workshops or awareness program against sexual harassment carried out: Our Company has conducted an online training for creating awareness against the sexual harassment against the women at workplace.
- e) Nature of action taken by the employer or district officer: Not Applicable.

Further, awareness and training sessions about the Prevention of Sexual Harassment at workplace are conducted for all employees, including our associates. Further, following are some of the awareness programs imparted to train the employees and Internal Complaints Committee ("ICC") during the year:

1. Every employee of our company has to undergo mandatory e-learning module on "Prevention of Sexual Harassment" at workplace.

2. Every new joiner is trained on Prevention of Sexual Harassment during induction program.
3. The Internal Complaints Committee is appropriately trained when the Committee Members are on-boarded to the Committee.
4. Policy of "Prevention of Sexual Harassment" at workplace is available on the intranet portal to access as and when required. Further, our company has setup an ICC which has equal representation of men and women and is chaired by senior woman and has an external women representation. The details of ICC members have been prominently displayed across all areas in office.

32. PARTICULARS OF EMPLOYEES:

The statement of Disclosure pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in "Annexure – IV" to this Directors' Report.

Further, a statement showing the names and other particulars of employees drawing remuneration in excess of the limits as set out in the Rules 5(2) and 5(3) of the aforesaid Rules, forms part of this Annual Report. However, in terms of first proviso to Section 136(1) of the Act, the Annual Report and Accounts are being sent to the Members and others entitled thereto, excluding the aforesaid information. The said information is available for inspection by any member of our Company during the business hours on working days except on Saturdays, Sundays and Public Holidays upto the date of the ensuing Annual General Meeting ("AGM"). Any Member interested in obtaining a copy of the same may write to the Company Secretary at csteam@5paisa.com, whereupon a soft copy would be sent to the Member.

33. STATUTORY AUDITORS:

As per Section 139 of the Companies Act, 2013, read with Companies (Audit and Auditors) Rules, 2014, the members of our Company in its 15th AGM of the Company approved the re-appointment of M/s. V Sankar Aiyar & Co., Chartered Accountants, Mumbai (Firm Registration Number: 109208W), as the Statutory Auditors of our Company for a term of five consecutive years i.e. from the conclusion of 15th AGM till the conclusion of 20th AGM of our Company.

34. AUDITORS' REPORT:

The notes on the financial statement referred in the Auditor's Report are self-explanatory and do not call for

Director's Report (Contd.)

any further comments. The Auditor's Report does not contain any qualification, reservation, adverse remark or disclaimer for the Financial Year 2022-23.

35. REPORTING OF FRAUDS BY AUDITORS:

During the year under review, the Statutory Auditors and the Secretarial Auditor have not reported any instances of frauds committed in our Company by its Officers or Employees to the Audit Committee under section 143(12) of the Companies Act, 2013, details of which needs to be mentioned in this Report.

36. CORPORATE GOVERNANCE:

Our Company has a strong legacy of following fair, transparent and ethical governance practices and is committed to maintain the highest standards of Corporate Governance and strictly adheres to the Corporate Governance requirements set out by SEBI. Our Company's Corporate Governance policy is based on the belief that good governance is an essential element of business, which helps us fulfill our responsibilities towards all our stakeholders. The report on Corporate Governance as stipulated under the LODR Regulations forms an integral part of this Annual Report of our Company. The requisite Auditor's Certificate on Corporate Governance obtained from M/s. V Sankar Aiyar & Co., Chartered Accountants (Firm Registration Number: 109208W) for compliance with LODR Regulations is attached to the report on Corporate Governance.

37. MAINTENANCE OF COST RECORDS:

The maintenance of cost records, for the services rendered by our Company is not required pursuant to Section 148(1) of the Companies Act, 2013 read with Rule 3 of the Companies (Cost records and audit) Rules, 2014.

38. GENERAL:

The Directors states that there being no transactions with respect to the following items during the financial year 2022-23, no disclosure or reporting is required with respect to the same:

1. Issue of equity shares with differential rights as to dividend, voting or otherwise.

2. Significant or material orders passed against our Company by the Regulators or Courts or Tribunals during the year ended March 31, 2023 which would impact the going concern status of our Company and its future operations.
3. Buyback of shares.
4. Receipt of any remuneration or commission by the Whole-time Director of our Company from any of its subsidiaries.
5. Material changes and commitments affecting the financial position of our Company that have occurred between the end of the financial year to which the financial statements relate and the date of this report, unless otherwise stated in the report.
6. Application or proceedings made under the Insolvency and Bankruptcy Code, 2016.

39. APPRECIATION:

The Directors place on record their sincere appreciation for the assistance and guidance provided by the Government, Regulators, Stock Exchanges, Depositories, other statutory bodies and our Company's Bankers for the assistance, cooperation and encouragement extended to our Company.

The Directors also gratefully acknowledge all stakeholders of the Company viz. customers, members, dealers, vendors, banks and other business partners for the excellent support received from them during the year. Our employees are instrumental for the Company scaling new heights, year after year. Their commitment and contribution is deeply acknowledged. Your involvement as members is also greatly valued. The Directors look forward to your continuing support.

For 5paisa Capital Limited

Prakarsh Gagdani
Whole-Time Director &
Chief Executive Officer
DIN: 07376258

Gourav Munjal
Whole-Time Director &
Chief Financial Officer
DIN: 06360031

Date: May 01, 2023

Place: Thane

Annexure - I to Directors' Report

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

PART "A": SUBSIDIARIES

(Information in respect of each subsidiary to be presented with amounts ₹ in millions)

Sl. No.	Particulars	Details			
		5paisa P2P Limited	5paisa Corporate Services Limited (Formerly known as 5paisa Insurance Brokers Limited)	5paisa Trading Limited	5paisa International Securities (IFSC) Limited
1.	Name of the subsidiary				
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	April 01, 2022 to March 31, 2023	April 01, 2022 to March 31, 2023	April 01, 2022 to March 31, 2023	June 15, 2022 to March 31, 2023
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in case of foreign subsidiaries	INR	INR	INR	INR
4.	Share capital	72.50	0.50	0.50	5.00
5.	Reserves & surplus	-35.63	-0.17	0.75	-0.07
6.	Total Assets	48.03	0.37	1.71	4.97
7.	Total Liabilities	11.16	0.03	0.46	0.04
8.	Investments	-	-	-	-
9.	Turnover	10.40	0.01	1.80	-
10.	Profit before taxation	2.41	-0.04	1.04	-0.09
11.	Provision for taxation-Deferred tax	0.40	-0.01	0.27	-0.02
12.	Profit after taxation	2.01	-0.03	0.77	-0.07
13.	Proposed Dividend	-	-	-	-
14.	% of shareholding	100%	100%	100%	100%

Notes:

- Names of subsidiaries which are yet to commence operations – **5paisa Corporate Services Limited (Formerly known as 5paisa Insurance Brokers Limited) and 5paisa International Securities (IFSC) Limited**
- Names of subsidiaries which have been liquidated or sold during the year – **Nil**

Annexure - I to Directors' Report (Contd.)

PART "B": ASSOCIATES AND JOINT VENTURES**Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures -
Not Applicable**

Sr. No.	Name of associates/Joint Ventures	
1.	Latest audited Balance Sheet Date	
2.	Shares of Associate/Joint Ventures held by the company on the year end	
	No.	
	Amount of Investment in Associates/Joint Venture	
	Extend of Holding%	
3.	Description of how there is significant influence	NOT APPLICABLE
4.	Reason why the associate/joint venture is not consolidated	
5.	Net worth attributable to shareholding as per latest audited Balance Sheet	
6.	Profit/Loss for the year	
	I. Considered in Consolidation	
	II. Not Considered in Consolidation	

- Names of associates or joint ventures which are yet to commence operations - **Not Applicable**
- Names of associates or joint ventures which have been liquidated or sold during the year- **Not Applicable**

For and on behalf of the Board of Directors
5paisa Capital Limited

Prakarsh Gagdani

Whole-Time Director
& Chief Executive Officer
DIN: 07376258

Gourav Munjal

Whole-Time Director
& Chief Financial Officer
DIN: 06360031

Namita Godbole

Company Secretary & Compliance Officer

Date: May 01, 2023
Place: Thane

Annexure - II to Directors' Report

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST 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,

Spaisa Capital Limited

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

Dear Sir / Madam,

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

Based on our verification of the Company's Books, Papers, Minutes Books, Forms and Returns filed with regulatory authorities and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the financial year ended **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 further report that maintenance of proper and updated Books, Papers, Minutes Books, filing of Forms and Returns with applicable regulatory authorities and maintaining other records is responsibility of management and of the Company. Our responsibility is to verify the content of the documents produced before us, make objective evaluation of the content in respect of compliance and report thereon. We have examined on test basis, the books, papers, minute books, forms and returns filed and other records maintained by the Company and produced before us for the financial year ended 31st March, 2023 according to the provisions of:

- (i) The Companies Act, 2013 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) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - (a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015;
 - (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
 - (e) 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;
- (v) Considering activities, the Company is also subject to compliance of the following laws specifically applicable to the Company:
 - (a) The Securities and Exchange Board of India (Depository & Participant) Regulations, 2018;
 - (b) The Securities and Exchange Board of India (Stock-Brokers and Sub-Brokers) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Research Analyst) Regulations, 2014; NO ACTIVITIES DURING THE YEAR.
 - (d) The Securities and Exchange Board of India (Investment Advisors) Regulations, 2013; NO ACTIVITIES DURING THE YEAR.

We have verified systems and mechanism which is in place and followed by the Company to ensure Compliance of these

Annexure - II to Directors' Report (Contd.)

specifically applicable Laws (in addition to the above mentioned Laws (i to iv) and applicable to the Company) and we have also relied on the representation made by the Company and its Officers in respect of systems and mechanism formed / followed by the Company for compliances of other applicable Acts, Laws and Regulations and found the satisfactory operation of the same.

We have also examined compliance with the applicable clauses of:

- (a) Secretarial Standards issued by the Institute of Company Secretaries of India under the provisions of Companies Act, 2013;
- (b) Listing Agreement(s) entered with stock exchanges.

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

- (a) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
- (b) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018;
- (c) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021.
- (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

Based on the above said information provided by the Company, we report that during the financial year under report, the Company has complied with the provisions of the above-mentioned Act/s including the applicable provisions of the Companies Act, 2013 and Rules, Regulations, Guidelines, Standards, etc. mentioned above and we have no material observation of instances of non-compliance in respect of the same. It was noticed that the Company has filed revised Quarterly Corporate Governance Report for the quarter ended 30th September, 2022 in delay as the original report which was filed within due date in which, a date of Risk Management Committee Meeting was missed out. However, the original report was filed within the prescribed timelines.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors during the year under review except re-appointment of executive and non-executive directors which was done in compliance with the provisions of the Act.

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

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

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

There were no events / actions having major bearing on the Company's affairs during the financial year under review except as mentioned below:

- 1) The Company has converted 12,00,000 warrants into Equity Shares during the financial year under review.

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

Date: 01.05.2023
Place: Mumbai
UDIN: F004554E000231836

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

Annexure - II to Directors' Report (Contd.)**'ANNEXURE A'**

To
The Members,

5paisa Capital Limited
IIFL House, Sun Infotech Park,
Road No. 16V, Plot No. B-23,
Thane Industrial Area,
Wagle Estate, Thane – 400 604.

Dear Sir / Madam,

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

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

Date: 01.05.2023
Place: Mumbai
UDIN: F004554E000231836

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

Annexure – III to Directors' Report

Information relating to conservation of energy, technology absorption and innovation and foreign exchange earnings/outgo forming part of the Directors' Report in terms of Section 134(3) (m) of the Companies Act, 2013.

CONSERVATION OF ENERGY:

The Company is engaged in stock broking and trading and so there were no activities in the nature of research and development involved in the business. However, the Company is taking all possible measures to conserve energy. Several environment friendly measures were adopted by the Company such as:

- Installation of capacitors to save power;
- Installed Thin Film Transistor (TFT) monitors that saves power;
- Light Emitting Diode (LED) lights;
- Automatic power shutdown of idle monitors;
- Creating environmental awareness by way of distributing the information in electronic form;
- Minimising air-conditioning usage;
- Installation of sensor based lights in common areas;
- Shutting off all the lights when not in use and
- Education and awareness programs for employees.

The Management frequently puts circulars on corporate intranet, IWIN for the employees educating them on ways and means to conserve the electricity and other natural resources and ensures strict compliance of the same.

Technology

Technology is a driving force at 5paisa. At every level we leverage technology to drive change across the organisation. Whether it is to improve a customer's account opening experience, or her ability to pick the right investment strategies, or to ease the life of our internal employees and departments, we use technology to continuously better our processes to achieve these goals.

Below mentioned are the key achievements of FY 2022-23.

Driving Experience

In the past year, we have seen several enhancements in the trading journey of the customer across all the platforms. Observing this, we have pioneered to equip customers with a powerful trading platform especially for derivatives segment given the growth of derivatives market in the country.

To taper the derivatives market deeply, we have created multiple tools like option chain, open interest analysis and much more combined with quick order placement facilities help customers place orders with ease and transact at high frequency.

Driving Engagement

Over the past year we have been able to provide our customers with a smooth and rich experience through well-crafted user journeys which incorporates providing the right information at the right time along with neat and clean user interface. Providing instructional communication, videos and gifs, we have been able to assist customers through processes that are new to them. All of these provide a tailor-made experience for the customers that helps in getting the right support when needed.

Driving Growth

One of our key focus areas has been to drive growth of customers and revenue on the 5paisa platform. We have been able to drive this through regular additions of features and products. Our enhanced new native account opening journey and our launch of the subscription products among several other functionalities have helped us significantly to achieve this growth. The subscription plans have bundled several useful research features and benefits in brokerage charges into highly lucrative monthly and yearly plans.

Driving Efficiencies

The upsurge in customer acquisitions and transaction volumes led to automate multiple processes that had potential for automation. We spent a considerable amount of time and effort in getting our internal processes streamlined and automated to increase the efficiency and reduce the overheads across different verticals.

Driving Transformation

We have been working simultaneously on driving a fully remote workforce that can operate remotely and assist our customers in processes like account opening and customer support. A good amount of effort has been put towards building applications that can enable this transition to support employees and partners who can engage with the customers to assist them. Our development efforts in this direction have proved to be instrumental in helping us quickly adapt to the work-from-home environment during the lockdown phase.

FOREIGN EXCHANGE EARNINGS/OUTGO OF THE STANDALONE COMPANY:

- a) The foreign exchange earnings: NIL
- b) The foreign exchange expenditure: ₹ 2,29,68,855/-

Annexure - III to Directors' Report (Contd.)
RESEARCH AND DEVELOPMENT (R & D):

The Company is engaged in stock broking and trading and so there were no activities in the nature of research and development involved in the business.

Amount of expenditure incurred on Research and Development:

Particulars	March 31, 2023	March 31, 2022
Capital	Nil	Nil
Revenue	Nil	Nil

For and on behalf of the Board of Directors
5paisa Capital Limited

Prakarsh Gagdani
Whole-Time Director
& Chief Executive Officer
DIN: 07376258

Gourav Munjal
Whole-Time Director
& Chief Financial Officer
DIN: 06360031

Date: May 01, 2023
Place: Thane

Annexure – IV to Directors’ Report

The ratio of the remuneration of each director to the median employee’s remuneration and other details in terms of sub-section 12 of Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

Sr. No.	Requirement	Disclosure	
I	The ratio of the remuneration of each Director to the median remuneration of the employees for the financial year	Mr. Prakarsh Gagdani – WTD & CEO	30.96
		Mr. Gourav Munjal – WTD & CFO	9.08
		Non-Executive Director@	
		Dr. Archana Niranjana Hingorani	NA
		Mr. Milin Mehta	NA
		Ms. Nirali Sanghi	NA
II	The percentage increase in remuneration of each Director, CFO, CEO, CS in the financial year	Executive Directors	
		Mr. Prakarsh Gagdani – WTD & CEO	15%
		Mr. Gourav Munjal – WTD & CFO	20%
		Non-Executive Director@	
		Dr. Archana Niranjana Hingorani	NA
		Mr. Milin Mehta	NA
		Ms. Nirali Sanghi	NA
		Mr. Ravindra Garikipati	NA
		CFO, CEO and CS	
		Mr. Prakarsh Gagdani – WTD & CEO	15%
		Mr. Gourav Munjal – WTD & CFO	20%
		Mrs. Namita Godbole- CS	15%
III	The percentage increase in the median remuneration of employees in the financial year	The median remuneration of the employees in the financial year was increased by 14%. The calculation of % increase in Median Remuneration is done based on comparable employees. For this, the employees who were not eligible for any increment have been excluded.	
IV	The number of permanent employees on the rolls of the Company	The Company had 541 employees on the rolls as on March 31, 2023.	
V	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	In Financial Year 2022-23, there is an average increase of 6% in the remuneration other than managerial personnel and 17% increase in the remuneration of managerial personnel.	
VI	Affirmation that the remuneration is as per the remuneration policy of the Company	Yes it is confirmed	

Note:

@ Sitting fees is not forming part of remuneration in aforesaid calculation and there is no remuneration paid to Independent Director and Non-Executive Director.

WTD- Whole Time Director, CEO- Chief Executive Officer, CFO- Chief Financial Officer, CS – Company Secretary.

For and on behalf of the Board
5paisa Capital Limited

Prakarsh Gagdani
Whole-Time Director &
Chief Executive Officer
DIN: 07376258

Gourav Munjal
Whole-Time Director &
Chief Financial Officer
DIN: 06360031

Date: May 01, 2023
Place: Thane

Annexure - IV to Directors' Report (Contd.)
TOP TEN EMPLOYEES IN TERMS OF REMUNERATION DRAWN AND THE NAME OF EVERY EMPLOYEE
As per sub-rule 2 of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- i. Employed throughout the financial year and in receipt of remuneration which, in the aggregate, not less than one crore and two lakh rupees:

Sr. No.	Name of Employee	Designation	Remuneration	Nature of employment (contractual or otherwise)	Qualifications	Experience	Date of commencement of employment	Age of Employee	Last employment	Percentage of equity shares held	Whether relative of any director or manager of company?
1.	Prakarsh Gagdani	Chief Executive Officer & Whole-time Director	1,75,96,675	Otherwise	PGDBM in Business Management	21	3/2/2015	42	Angel Broking	0.26	No
2.	Ragunathan Balaji	Chief Technology Officer	1,03,23,930	Otherwise	MBA	25	5/11/2015	47	Infosys	0	No
3.	Ankit Fitkariwala	Chief Business Officer & Product Head	1,13,35,892	Otherwise	MBA	10	6/16/2021	36	One 97 Communication	0	No

- ii. Employed for a part of the financial year and in receipt of remuneration which, in the aggregate, not less than eight lakh and fifty thousand rupees per month:

Sr. No.	Name of Employee	Designation	Remuneration	Nature of employment (contractual or otherwise)	Qualifications	Experience	Date of commencement of employment	Age of Employee	Last employment	Percentage of equity shares held	Whether relative of any director or manager of company?
NOT APPLICABLE											

For and on behalf of the Board
5paisa Capital Limited

Prakarsh Gagdani
Whole-Time Director &
Chief Executive Officer
DIN: 07376258

Gourav Munjal
Whole-Time Director &
Chief Financial Officer
DIN: 06360031

Date: May 01, 2023
Place: Thane

Annexure – V to the Directors’ Report

The Annual Report on Corporate Social Responsibility (CSR) Activities

1. BRIEF OUTLINE ON CSR POLICY OF THE COMPANY:-

5paisa Capital Limited (hereinafter referred to as “5PCL”) is guided by IIFL Group’s vision to become the most trusted and respected brand in the financial services space in India. To realize this vision, 5PCL recognizes the importance of contributing to sustainable social transformation. The approach of the business focuses on building trust, knowledge and delivering quality service to its customers on one hand and on the other; to provide timely assistance to its customers so as to help them achieve their financial goals.

5PCL strongly believes that Corporate Social Responsibility is connected with the principles of sustainable growth and hence recognizes the immense

opportunity it has to bring about a positive change in the lives of the communities through its business operations and CSR activities.

The Policy directs its CSR Programmes, inter alia, towards achieving one or more of the following - poverty alleviation; promoting education and skill development; promoting healthcare including preventive healthcare; providing sanitation and drinking water; ensuring environmental sustainability; enabling climate resilience; rural development projects; creating livelihoods for people, especially those from disadvantaged sections of society; protection of national heritage, art and culture; preserving and promoting music and sports; and providing relief and assistance to victims of disasters and calamities.

2. THE COMPOSITION OF THE CSR COMMITTEE:

Sr. No.	Name of Director	Nature of Directorship	Designation	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Milin Mehta	Independent Director	Chairman	1	1
2.	Mr. Prakarsh Gagdani	Whole-time Director & CEO	Member	1	1
3.	Mr. Gourav Munjal	Whole-time Director & CFO	Member	1	1

3. WEB-LINK WHERE COMPOSITION OF CSR COMMITTEE, CSR POLICY AND CSR PROJECTS APPROVED BY THE BOARD ARE DISCLOSED ON THE WEBSITE OF THE COMPANY:

The web-links are as follows:

- Composition of CSR Committee - <https://www.5paisa.com/investor-relations>
- CSR Policy and Projects - https://storage.googleapis.com/5paisa-prod-storage/files/investor_relations/2022-04/CSR-Policy-updated.pdf

4. THE EXECUTIVE SUMMARY ALONG WITH WEB-LINK(S) OF IMPACT ASSESSMENT OF CSR PROJECTS CARRIED OUT IN PURSUANCE OF SUB-RULE (3) OF RULE 8, IF APPLICABLE: Not Applicable

5. DETAILS OF THE AMOUNT AVAILABLE FOR SET OFF IN PURSUANCE OF SUB-RULE (3) OF RULE 7 OF THE COMPANIES (CORPORATE SOCIAL RESPONSIBILITY POLICY) RULES, 2014 AND AMOUNT REQUIRED FOR SET OFF FOR THE FINANCIAL YEAR, IF ANY: Not Applicable

6. (a) Average net profit of the company as per sub-section (5) of section 135:

Particulars	Amount (in ₹)
2021-2022	196,762,587
2020-2021	221,848,837
2019-2020	(95,025,614)
Average Net Profits of the Company for the last three financial year	107,861,937

(b) Two percent of average net profit of the company as per sub-section (5) of section 135: ₹ 2,157,239

(c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years: Not Applicable

(d) Amount required to be set-off for the financial year, if any: Not Applicable

(e) Total CSR obligation for the financial year [(b)+(c)-(d)]: ₹ 2,157,239

Annexure - V to the Directors' Report (Contd.)

7. (a) **Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project):** ₹ 2,163,014
- (b) **Amount spent in Administrative Overheads:** Nil
- (c) **Amount spent on Impact Assessment, if applicable:** Not Applicable
- (d) **Total amount spent for the Financial Year [(a)+(b)+(c)]:** ₹ 2,163,014
- (e) **CSR Amount spent or unspent for the financial year:**

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
2,163,014	NA	NA	NA	NA	NA

- (f) Excess amount for set off, if any

Sl. No.	Particulars	Amount (in ₹)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	2,157,239/-
(ii)	Total amount spent for the Financial Year	2,163,014/-
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	5,775/-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	Not Applicable
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	5,775/-

8. **Details of Unspent Corporate Social Responsibility amount for the preceding three financial years:** Nil
9. **Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year:** Nil
10. **Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:** Nil
11. **Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per subsection (5) of section 135:**

The Company has spent more than what is prescribed under the CSR regulation. Hence, not applicable.

For and on behalf of the Board
5paisa Capital Limited

Prakarsh S. Gagdani
CEO & Whole time Director
DIN: 07376258

Mr. Milin Mehta
Chairman of CSR Committee
DIN: 01297508

Date: May 01, 2023
Place: Mumbai

Business Responsibility and Sustainability Report

FOREWORD

Over the past few years, sustainability reporting is gaining importance globally as an important communication tool for corporates to display their commitment of being a sustainable and responsible business. The Indian reporting scenario is also rapidly evolving in line with the global trends wherein corporates are expected to maintain transparency and accountability in reporting.

The Securities and Exchange Board of India ("SEBI"), regulator of capital markets in India, has put in place the Business Responsibility and Sustainability Reporting ("BRSR") framework which requires listed companies to disclose information under the nine principles of the National Guidelines on Responsible Business Conduct. The BRSR disclosure has become mandatory from FY 2022-23 onwards for the top 1,000 Indian listed companies by market capitalization.

Staying strong on our commitment of being a responsible business adopting BRSR framework from FY 2022-23 to maintain transparency in sustainability reporting. The BRSR disclosures presented herein are strictly as per the format prescribed by SEBI.

SECTION A: GENERAL DISCLOSURES

I. DETAILS

Sr. No.	Determinants	Details
1.	Corporate Identity Number (CIN) of the Company	: L67190MH2007PLC289249
2.	Name of the Company	: 5paisa Capital Limited
3.	Year of incorporation	: 2007
4.	Registered office address	: IIFL House, Sun Infotech Park, Road No 16V, B-23, MIDC, Thane Industrial Area, Wagle Estate Thane-400604.
5.	Corporate address	: IIFL House, Sun Infotech Park, Road No 16V, B-23, MIDC, Thane Industrial Area, Wagle Estate Thane-400604.
6.	E-mail	: csteam@5paisa.com
7.	Telephone	: 022- 41035000
8.	Website	: www.5paisa.com
9.	The financial year for which reporting is being done	: FY 2022-2023
10.	Name of the stock exchange(s) where shares are listed	: BSE Limited & National Stock Exchange of India Limited
11.	Paid-up capital	: ₹ 30,63,55,680/-
12.	Name and contact details of the person who may be contacted in case of any queries on the BRSR report	: Namita Godbole Tel. No.: 022 41035000 Email ID: csteam@5paisa.com
13.	Reporting boundary	: Consolidated basis

II. PRODUCTS/SERVICES

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

Sr.No.	Description of the main activity	Description of business activity	% of turnover
1	Financial	Stock Broking, Financial Advisory, brokerage and Consultancy Services	100

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

S. No.	Product/Service	NIC Code	% of turnover contributed
1.	Stock Broking	66120	99.89%
2.	Fund based Activities and distribution of financial products	66190	0.11%

III. OPERATIONS

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

Location	Number of plants	Number of offices	Total
National	N.A.*	1	1
International		-	-

* The Company is into financial services and does not undertake any manufacturing activity.

Business Responsibility and Sustainability Report (Contd.)
17. Markets served:
a. Number of locations:

Location	Total
National (No. of states)	28
International (No. of countries)	-

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

NIL as the company is not involved in any export import business

c. A brief on types of customers

5paisa Capital Limited is a pioneering, technology-driven financial securities firm that provides a wide range of services in the financial sector. We combine cutting-edge technology with finance to offer a diverse array of services, which include retail and institutional broking, the distribution of financial products and private wealth management. Our clientele, includes HUFs, Corporates, and resident and non-resident individuals, who trust us to expertly manage their finances

IV. EMPLOYEES
18. Details as of the end of the financial year:
a. Employees and workers (including differently-abled):

S. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
Employees						
1.	Permanent (D)	541	336	62%	205	38%
2.	Other than permanent (E)	-	-	-	-	-
3.	Total employees (D + E)	541	336	62%	205	38%
Workers						
4.	Permanent (F)	-	-	-	-	-
5.	Other than permanent (G)	-	-	-	-	-
6.	Total workers (F + G)	-	-	-	-	-

b. Differently-abled employees and workers

S.No	Particulars	Total (A)	Male		Female	
			No. (B)	No. (C)	% (C/A)	
Differently abled employees						
1.	Permanent (D)	-	-	-	-	-
2.	Other than permanent (E)	-	-	-	-	-
3.	Total employees (D + E)	-	-	-	-	-
Differently abled workers						
4.	Permanent (F)	-	-	-	-	-
5.	Other than permanent (G)	-	-	-	-	-
6.	Total workers (F + G)	-	-	-	-	-

19. Participation/inclusion/representation of women

	Total (A)	No. and % of females	
		No. (B)	% (B/A)
Board of Directors	6	2	33.33
Key Management Personnel refer note	5	1	20

Business Responsibility and Sustainability Report (Contd.)

20. Turnover rate for permanent employees and workers

	FY 2022-23 (Turnover rate in current FY)			FY 2021-22 (Turnover rate in current FY)			FY 2020-21 (Turnover rate in current FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	57%	72%	63%	61%	82%	70%	-	-	-
Permanent Workers	91%	88%	90%	174%	158%	167%	-	-	-
Total	67%	77%	71%	103%	110%	106%	-	-	-

V. HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES (INCLUDING JOINT VENTURES)
21. (a) As of 2023

S. No.	Name	Holdings/subsidiary/ associate/ joint venture	% of shares held
1	5paisa P2P Limited	Wholly owned Subsidiary	100
2	5paisa Corporate Services Limited (Formerly 5paisa Insurance Brokers Limited)	Wholly owned Subsidiary	100
3	5paisa Trading Limited	Wholly owned Subsidiary	100
4	5paisa International Securities (IFSC) Limited	Wholly owned Subsidiary	100

(b) Do the entities indicated in the above table participate in the business responsibility initiatives of the listed entity?
No

VI. CSR DETAILS

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

(ii) Turnover (in ₹) as per 2023: 3,37,78,05,416.33/-

(iii) Net worth (in ₹) as per 2023: 4,66,76,86,754.03/-

VII. TRANSPARENCY AND DISCLOSURES COMPLIANCES

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

Stakeholder group from whom the complaint is received	Grievance Redressal Mechanism in Place (Yes/No) If yes, then provide web-link for the grievance redress policy: https://www.5paisa.com/	FY 2022-23		FY 2021-22	
		Number of complaints filed during the year	Number of complaints pending resolution at the close of the year	Number of complaints filed during the year	Number of complaints pending resolution at the close of the year
Communities	Yes	-	-	-	-
Investors (other than shareholders)	Yes	NIL	NIL	-	NIL
Shareholders	Yes	NIL	NIL	-	NIL
Employees and workers	For employees -Yes; For workers - Not Applicable	0	0	-	0
Customers*	Yes	1,256	0	-	890
Value chain partners	Yes	0	0	-	0
Others	No	0	0	-	0

*Includes complaints received from the Regulators/Stock Exchanges and also direct complaints received from the clients.

Business Responsibility and Sustainability Report (Contd.)

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

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

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	The rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Data and Customer Privacy	Risk	Protection and security of every customer information in possession of the company is utmost crucial to avoid data leakage or subsequent misuse. Being a technology driven company, our Company relies heavily on its technology infrastructure. As most of the transactions are processed digitally, it increases the chances of cyber threats / information security risks.	Our Company has adopted a strong Information technology and cyber security policy wherein cyber risk and its mitigation are monitored and updated by the Board periodically to ensure mitigation of such risks. The Information Technology Committee of the Board and the Board of Directors review and approve any updates in data and customer privacy related matters. The Company has appointed a Chief Information Security Officer (CISO) who is duly responsible and in charge for the information / data as well as customer privacy and to initiate action plans for any data breaches or related issues. The company has also put in place various measures for managing data privacy to adapt / mitigate any data and customer privacy related incidences. We have initiated measures to update employees, customers and other stakeholders of any potential cyber frauds, data privacy etc. Various informative materials on data and customer privacy are shared periodically over mail, SMS and on social media platforms.	Negative <ul style="list-style-type: none"> • Reputational risks • Data privacy related issues may lead to litigation risks / financial risks • Regulatory risk in terms of fines, penalties, etc.
2.	Responsible marketing	Risk & Opportunity	Customer acquisition and retention is directly dependent on transparent, comprehensive and clear communication and branding of our products and services	We ensure that all our marketing initiatives and communications strictly adhere to all applicable rules / regulations. It is our constant endeavor to ensure high level of transparency and clarity in all our marketing campaigns and communications.	Positive: <ul style="list-style-type: none"> • Enhanced customer base • Increase and stability in revenue • Improvement in customer retention • Satisfied customer thereby increasing customer loyalty

Business Responsibility and Sustainability Report (Contd.)

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	The rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
3.	Risk management	Opportunity	Optimizing our risk-return equation is possible through responsible risk identification and management processes – of both financial and non-financial risks.	Our company has a comprehensive Risk Management policy which factors in all the risks the company is exposed to and in turn, has laid down measures to ensure that these risks are mitigated.	Positive: <ul style="list-style-type: none"> Enhanced Regulatory compliances Stable and predictable business Value creation Supports business continuity
4.	Corporate Governance and Ethics	Risk	Maintaining the highest standards of ethics and corporate governance is necessary to gain the trust of our Company's investors and customers. Any risks can undermine stakeholder trust, damage reputation and disrupt business.	Our Company has instituted various policies and measures to constitute a strong corporate governance frameworks per regulatory guidelines. We have in place a fair, transparent and accountable corporate governance structure across our hierarchy to safeguard the interests of all stakeholders of the company. There is an effective mechanism, supported by strong policies to supervise the management and oversee the critical functions of the Company. An effective grievance redressal mechanism for customers to address their concerns is also integrated into our Company's policies so as to ensure that every grievance is taken on priority and redressed effectively.	Negative: <ul style="list-style-type: none"> Reputational risks Image/perception of the institution Dissatisfied customer
5	Regulatory compliance	Risk and Opportunity	Strict compliance to rules and regulations helps us gain confidence of stakeholders and grow responsibly.	We ensure that there are no delays or discrepancies in complying with applicable regulations. A dedicated team of qualified personnel ensures efficient and timely compliance with all regulations applicable to our Company.	Positive: <ul style="list-style-type: none"> Transparent and well governed Organization Strong brand image
6	Customer satisfaction	Opportunity	Identification and fulfilment of customer needs and expectations is essential for their retention and loyalty thereby contributing to increased revenues	Our company takes constant efforts in enhancing the products and services offered to the clients thereby adding value to their offerings	Positive: <ul style="list-style-type: none"> Increase in repeat customer business Improvement in market share Better asset quality
7	Human Resources Initiatives	Opportunity	Fair recruitment, hiring processes and efforts to build a congenial work environment through structured training / performance appraisal helps us in employee retention	Our company takes constant efforts in providing better benefits to its employees which includes monetary as well as non-monetary benefits	Positive: <ul style="list-style-type: none"> Better employee retention Improvement in productivity

Business Responsibility and Sustainability Report (Contd.)

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	The rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
8	Digitalization	Opportunity	Strategic partnerships with fintechs, along with strong in-house digital capabilities have allowed us to expand customer base significantly and serve niche segments, because digitalization drives innovation in traditional offerings.		Positive: <ul style="list-style-type: none"> Seamless business operation Reduced cost Improved turnover around time
9	Climate change	Risk and Opportunity	Mitigating climate risks provides opportunities for efficiency, innovation and growth; our Company seeks to reduce carbon footprint in its everyday operations. Climate change has emerged as a significant risk for business.	Our Company has instituted an ESG policy to incorporate ESG factors into its strategy and operations, risk management and governance process and lending portfolio. The ESG policy also aims to communicate our Company's approach of ESG integration to the stakeholders. We continue to identify and act on opportunities to reduce environmental footprint.	Negative <ul style="list-style-type: none"> Significant risks Physical and transition risks. Positive <ul style="list-style-type: none"> Drives better risk management and value creation
10	Employee health and wellness	Opportunity	Investing in employee health and wellness is essential for enhancing productivity and also ensures their retention and overall job satisfaction		Positive: <ul style="list-style-type: none"> Enhanced loyalty and engagement among employees Increase in productivity
11	Resource management	Opportunity	Our focus lies on achieving resource efficiency in terms of energy, water, paper and e-waste, since we do not have any other significant environmental impact		Positive: <ul style="list-style-type: none"> Lower cost and higher productivity Better resource utilization

Business Responsibility and Sustainability Report (Contd.)

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies, and processes put in place towards adopting the NGRBC principles and core elements.

S.No.	Principle description
P1	Businesses should conduct and govern themselves with integrity, and in a manner that is ethical, transparent, and accountable
P2	Businesses should provide goods and services in a manner that is sustainable and safe
P3	Businesses should respect and promote the well-being of all employees, including those in their value chains
P4	Businesses should respect the interests of and be responsive to all their stakeholders
P5	Businesses should respect and promote human rights
P6	Businesses should respect and make efforts to protect and restore the environment
P7	Businesses when engaging in influencing public and regulatory policy should do so in a manner that is responsible and transparent
P8	Businesses should promote inclusive growth and equitable development
P9	Businesses should engage with and provide value to their consumers in a responsible manner

Disclosure question	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes									
1. a. Whether your entity's policy /policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes
c. Web-link of the policies, if available.	https://www.5paisa.com/investor-relations/codes-and-policies-of-the-company Some policies being internal documents are available to the employees through the company's intranet.								
2. Whether the entity has translated the policy into procedures. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes
4. Name of the national and international codes/certifications/labels/standards (e.g., Forest stewardship council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g., SA 8000, OHSAS, ISO, BIS) mapped to each principle.	All policies have been developed based on industry practices, as per the regulatory requirements and through appropriate consultation with relevant stakeholders.								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	<ul style="list-style-type: none"> The Company recognizes its role in creating positive impact in the lives of communities by identifying the core focus areas and achieving these commitments and goals through investor awareness programmes and corporate social responsibility activities. The Company promotes inclusive environment at the workplace and does not treat anybody differently based on their gender, race/caste, religion/beliefs, disability, marital status or any other category and at the same time believes in hiring the right talent based on merit. The Company believes in up-skilling the work force for the holistic development of its employees and to align with the changing business environment. 								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	-	-	-	-	-	-	-	-	-

Business Responsibility and Sustainability Report (Contd.)

Governance, leadership, and oversight

7. Statement by the director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements

Doing business in a responsible and sustainable manner is one of the key imperatives for us. We continuously engage in discussion with all our stakeholders to identify key ESG issues and have identified Ethical Business Conduct, Efficient and Transparent Customer Service, Corporate Governance, Risk Management, Human Capital Development, Engagement with Communities and Environmental Footprint to be some of the most important issues. We have a highly qualified and diversified Board and ESG executive forum which oversees the Company’s ESG journey. We instituted practices like Comprehensive Code of Conduct and Business Ethics, sound risk culture, digitisation of business, launching innovative products, investment in emerging areas of cybersecurity and information security, Employee welfare policies, monitoring consumption of resources and taking targets towards reduction in consumption of electricity, fuel and paper and various other practices. Reference should also be made to our Environmental Social and Governance report which carries an exhaustive list of out ESG related challenges, targets and achievements.

8. Details of the highest authority responsible for implementation and oversight of the business responsibility policy/policies

Mr. Gourav Munjal, Whole Time Director & CFO

9. Does the entity have a specified committee of the Board/ Director responsible for decision-making on sustainability-related issues? (Yes/No). If yes, provide details.

Yes.

The Company has an executive level ESG Committee consisting of senior management personnel and Independent Directors of the Company to monitor various aspects of social, environmental and governance responsibilities of the Company.

The Company’s business responsibility performance is reviewed by the Board of Directors on an annual basis.

In addition, the Risk Management Committee also assesses internal/ external risks pertaining to sustainability as identified.

10. Details of review of NGRBCs by the Company:

Subject for review	Indicate whether the review was undertaken by the Director/committee of the board/ any other committee Frequency (Annually/half-yearly/ quarterly any other – please specify)
Performance against the above policies and follow-up action	As a practice, all the policies of the Company are reviewed periodically or on a need basis by department heads, business heads, senior management personnel and placed before the BoD as and when required. During this assessment, the efficacy of the policies is also reviewed and necessary changes to policies and procedures are implemented.
Compliance with statutory requirements of relevance to the principles, and the rectification of any non-compliances	The Company is in compliance with the extent regulations as applicable.

11. Has the entity carried out an independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide the name of the agency.

Yes, PricewaterhouseCoopers Private Limited was engaged to carry out an independent assessment/ evaluation of the working of policies of the Company.

Business Responsibility and Sustainability Report (Contd.)

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

Questions	P1	P2	P3	P4	P5	P6	P7*	P8	P9
The entity does not consider the principles material to its business (Yes/No)									
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)						Not Applicable			
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

* Note: P7 is not material to our business

SECTION C: PRINCIPLE-WISE PERFORMANCE DISCLOSURE
PRINCIPLE 1: BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH INTEGRITY, AND IN A MANNER THAT IS ETHICAL, TRANSPARENT, AND ACCOUNTABLE
Essential Indicators
1. Percentage coverage by training and awareness programs on any of the principles during the financial year:

Segment	Total number of training and awareness programs held	Topics/principles covered under the training and its impact	% of persons in the respective category covered by the awareness programs
Board of directors	5	Code of ethics, code of conduct, Insider Trading, Grievance Redressal compliance mechanisms and PMLA	100
Key managerial personnel	5	Code of ethics, code of conduct, POSH Insider Trading, Grievance Redressal compliance mechanisms and PMLA	100
Employees other than BoD and KMPs	72	New Joinee Sales Induction Training for imparting knowledge on product, process and systems Business Induction for Other Support functions on industry, product & process POSH, Whistle Blower, Code of Ethics, Code of Conduct, PMLA and PIT Regulations	Between 20 – 30 Age – 89%, Between 31 – 35 Age – 8% and Between 36 – 49 Age – 3%
Workers	Not Applicable		

2. Details of fines/penalties/punishment/award/compounding fees/settlement amount paid in proceedings (by the entity or by directors/KMPs) with regulators/law enforcement agencies/judicial institutions, in FY 2020-21.

NIL

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

Not Applicable

Business Responsibility and Sustainability Report (Contd.)

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

Yes, Anti-corruption and anti-bribery guidelines are part of the employee manual and are available to internal shareholders. The Company is committed to conducting business by following the highest ethical standards. All forms of bribery and corruption are prohibited. The Company conducts its business in adherence to all statutory and regulatory requirements. The web-link for Anti-corruption or anti-bribery policy is as follows:

<https://www.5paisa.com/investor-relations>

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

	FY 2022-23	FY 2021-22
Directors	NIL	NIL
KMPs	NIL	NIL
Employee	NIL	NIL
Workers	NA	NA

6. Details of complaints with regard to conflict of interest

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

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

No issues, related to fines/penalties/action taken by regulators/law enforcement agencies/judicial institutions, on cases of corruption and conflicts of interest, occurred in our Company

Leadership Indicators

1. Awareness programs conducted for value chain partners on any of the Principles during the financial year.

We will cover 100% of our value chain partners and train them in FY 2023-24.

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

Yes, provide details of the same.

Yes, 5paisa's Code of Conduct requires the Directors and senior management to avoid situations in which their personal interests could conflict with the interests of the Company. The Code, inter alia, clarifies that conflict of interest may arise when:

- any officer simultaneously serves as a Director / senior managerial person / consultant or owns interest or stake in any person or entity which is a competitor / customer / business associate of the company;
- Where the officer himself or through his relatives or associates, enters or proposes to enter into any arrangement, collaboration, venture, agreement or transaction with the company;

Under such circumstances, following conduct is expected of the officers:

Business Responsibility and Sustainability Report (Contd.)

- a. As far as possible, dealings involving conflict of interest should be avoided.
- b. If such dealings are unavoidable, the Directors should disclose to the Board and other officers should disclose to the Chairman and Managing Director: (1) the existence and nature of the actual or potential conflict of interest and (2) all facts known to him/her regarding the transaction that may be material to a judgment about whether to proceed with the transaction. The transaction should be proceeded with only after the approval from the Board / WTD.

PRINCIPLE 2: BUSINESSES SHOULD PROVIDE GOODS AND SERVICES IN A MANNER THAT IS SUSTAINABLE AND SAFE

Essential Indicators

1. Percentage of R&D and capital expenditure (CAPEX) investments in specific technologies to improve product and processes' environmental and social impacts to total R&D and capex investments made by the entity, respectively.

Looking at the nature of our business, it is not Applicable

2. a) Does the entity have procedures in place for sustainable sourcing? (Yes/No)

Yes, there are procedures in place for sustainable sourcing. 5paisa has a Board approved Policy on 'Sustainable Supply Chain and Responsible Sourcing Policy' and a 'Code of Conduct for Suppliers and Service Providers'. The Code reflects 5paisa's commitment to respect human rights across the supply chain. It upholds the spirit outlined in the national and International laws and standards, such as the declaration of the International Labour Organisation on fundamental principles & rights at work and United Nations universal declaration of human rights.

- b) If yes, what percentage of inputs were sourced sustainably?

In FY 2023-24, we will attempt 100%

We have recently developed policy on sustainable supply chain and responsible sourcing and Code of Conduct for suppliers and service providers. We have started implementation of this policy in FY 2023-24.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

Waste type	Waste management procedure in place
Plastic (including packaging), E-waste, Hazardous Waste, Other Waste	Given the nature of the business, the Company has limited scope on these parameters, however, the Company realises that there is a pressing need to manage waste in an eco-friendly manner. To achieve these objectives, the Company, encourages reuse/recycle wherever possible and monitors improvement. The Company has also replaced plastic garbage bags with bio-degradable bags.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes/No). If yes, whether the waste collection plan is in line with the EPR plan submitted to Pollution Control Boards?

Not applicable since the company is not a manufacturing entity

Leadership Indicators

1. Has the entity conducted Life Cycle Perspective/Assessments (LCA) for any of its products (for manufacturing industry) or its services for service industry)? If yes, provide details in the following format?

Not applicable since the company is not a manufacturing entity

2. If there are any significant social or environmental concerns and/or risks arising from the production or disposal of your products/services, as identified in the Life Cycle Perspective/Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Not applicable since the company is not a manufacturing entity

Business Responsibility and Sustainability Report (Contd.)

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).
Not applicable since the company is not a manufacturing entity
4. Of the products and packaging reclaimed at end of life of products, the amount (in metric tonnes) reused, recycled, and safely disposed of.
Not applicable since the company is not a manufacturing entity.
5. Reclaimed products and their packaging materials (as a percentage of products sold) for each product category.
Not applicable since the company is not a manufacturing entity.

PRINCIPLE 3: BUSINESSES SHOULD RESPECT AND PROMOTE THE WELL-BEING OF ALL EMPLOYEES, INCLUDING THOSE IN THEIR VALUE CHAINS

Essential Indicators

1. a. Details of measures for the well-being of employees.

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Daycare facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male	336	336	100%	336	100%	-	-	336	100%	-	-
Female	205	205	100%	205	100%	205	100%	-	-	-	-
Total	541	541	100%	541	100%	205	100%	336	100%	-	-
Other than permanent employees											
Male	-	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-

- b. Details of measures for the well-being of workers:

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Daycare facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent workers*											
Male											
Female											
Total											
Other than permanent workers											
Male											
Female											
Total											

*Note - We don't have workers

Business Responsibility and Sustainability Report (Contd.)

2. Details of retirement benefits.

Benefits	FY 2022-23			FY 2021-22		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	86%	Not applicable	Yes	82%	Not applicable	Yes
Gratuity	100%	Not applicable	Yes	100%	Not applicable	Yes
ESI	21%	Not applicable	Yes	28%	Not applicable	Yes
Others-please specify	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

As a principle, the Company has implemented Equal Employment Opportunity and Non-discrimination policy and Human Rights policy which prohibits any kind of discrimination against any person with disability in any matter related to employment as per the Right of Person with Disabilities Act, 2016 and Transgender persons (Protection of Rights) Act 2019. Most of the offices are located in commercial premises which have elevators and infrastructure for differently abled persons. Offices have facilities for easy movement of differently abled visitors / employees. Corporate offices of 5paisa have ramps for easy movement of differently abled people and wheel-chair accessible restrooms are available. Most of the office washrooms are especially abled friendly, as per the guidelines provided by the Rights of Persons with Disability Act, 2016.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web link to the policy.

5paisa Group has adopted Equal employment opportunity policy in accordance with the provisions of the Rights of Persons with Disabilities Act, 2016 and provides a framework which is committed towards the empowerment of persons with disabilities. The Company also have Human Rights Policy which prohibits discrimination against any person with disability in any matter related to employment.

The weblink to the policy is as follows:

<https://www.5paisa.com/investor-relations>

5. Return to work and retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	100%	100%	100%
Female	100%	100%	83%	83%
Total	100%	100%	92%	92%

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and workers (Permanent workers, Other than permanent workers, Permanent employees, Other than permanent employees)? If yes, give details of the mechanism in brief.

Permanent Worker	Not Applicable
Other than Permanent Workers	Not Applicable
Permanent Employees & Other than Permanent Employees	Yes

Business Responsibility and Sustainability Report (Contd.)

5paisa strives to create a culture which is fair, open and transparent and where employees can openly present their views. 5paisa transparently communicates its policies and practices such as plans, compensation, performance metrics, performance pay grids and calculation, career enhancements, compliance and other processes. 5paisa enables employees to work without fear of prejudice, gender discrimination and harassment. It has zero tolerance towards any non-compliance of these principles. 5paisa has 'Code of ethics and Personal Conduct' (CoEPC), 'Whistle Policy', 'Prevention of Sexual Harassment' etc. serving as grievance mechanisms for its employees to report or raise their concerns confidentially and anonymously, and without fear of any retaliation.

7. Membership of employees and workers in association(s) or Unions recognized by the listed entity:

5paisa employees are currently not part of any employee association.

8. Details of training given to employees and workers:

Category	FY 2022-23					FY 2021-22				
	Total (A)	On health and Safety measures		On skill upgradation		Total (D)	On health and Safety measures		On skill upgradation	
		Number (B)	% (B/A)	Number (C)	% (C/A)		Number (E)	% (E/D)	Number (F)	% (F/D)
Employees										
Male	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0	0	0
Workers										
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-

Note: We will train 100% of our employees in FY 2023-24 on health and safety, skill upgradation etc.

9. Details of performance and career development reviews of employees and workers:

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
Male	177	177	100%	234	234	100%
Female	126	126	100%	139	139	100%
Total	303	303	100%	373	373	100%
Workers						
Male	-	-	-	-	-	-
Female	-	-	-	-	-	-
Total	-	-	-	-	-	-

Business Responsibility and Sustainability Report (Contd.)
10. Health and safety management system:

- a. **Whether an occupational health and safety management system has been implemented by the entity? (Yes/No). If yes, what is the coverage of such a system?**

There are no occupational health & safety risks considering the nature of the business. Employee well-being and psychological safety continue to be a priority of the Company. Periodic trainings on fire safety and fire fighting equipment are provided along with that evacuation drills.

5paisa has taken an initiative to frame a comprehensive policy with respect to health & safety. Various facilities are available at 5paisa's offices and branches premises such as proper ventilation, branch hygiene & sanitation, emergency exits, first aid box, etc.

- b. **What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**

Given the nature of business, 5paisa does not undertake any manufacturing activity and hence this is not applicable for us. However, the Company has designed and adopted manuals and procedures to cover environmental aspects and health and safety risks that the facility/property can control and directly manage, and those that it does not directly control or manage but over which it can be expected to have an influence through its Environment, Health and Safety Manual.

There are no product risks but there are those related to the provision of services as well as those associated with the operation of utilities, indoor air quality, lift/elevator safety, fire safety procedures, personnel protective equipment, signages, etc. Further, our risk assessment also periodically cover incidents that have been noted and immediate steps are taken to mitigate the associated risks. During the year, no such instances have been noted which necessitated further action.

- c. **Whether you have processes for workers to report work-related hazards and to remove themselves from such risks.**

Not Applicable. The Company does not have any 'worker'.

- d. **Do the employees/workers of the entity have access to non-occupational medical and healthcare services? (Yes/No)**

Yes

11. Details of safety-related incidents.

Safety Incident/Number	Category	FY 2022-23	FY 2021-22
Lost Time Injury Frequency Rate (LTIFR) (Per one million-person hours worked)	Employee	Nil	Nil
	Worker	N.A.	N.A.
Total recordable work-related injuries	Employee	Nil	Nil
	Worker	N.A.	N.A.
No. of fatalities	Employee	Nil	Nil
	Worker	N.A.	N.A.
High-consequence work-related injury or ill-health (Excluding fatalities)	Employee	Nil	Nil
	Worker	N.A.	N.A.

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

Employee well-being and psychological safety continue to be a priority for the Company. Fire drills and quality assurance audits are conducted in the office premises to ensure the maintenance of safety standards.

Business Responsibility and Sustainability Report (Contd.)

13. Number of complaints on the following made by employees and workers

	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working conditions	NIL	NIL	NIL	NIL	NIL	NIL
Health & safety	NIL	NIL	NIL	NIL	NIL	NIL

14. Assessments for the year

% of offices that were assessed (by entity or statutory authorities or third parties)	
Health and safety practices	100
Working conditions*	NIL

Note: In FY 2023-24, we will conduct internal assessment on working conditions.

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/concerns arising from assessments of health & safety practices and working conditions.

Nil

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N)

Employees – Yes

Workers – Not Applicable. Our Company does not have any worker as defined in the guidance note of BRSR.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

Our Company monitors remittance of statutory dues by value chain partners with periodic interactions. Various awareness programs and meetings are being arranged with value chain partners for the same.

3. Provide the number of employees/workers having suffered high-consequence work-related injury/ill- health/fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

Not Applicable

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/No)

No

5. Details on assessment of value chain partners:

% of offices that were assessed (by entity or statutory authorities or third parties)	
Health and safety practices	NIL
Working conditions	NIL

Note: In FY 2023-24, we will cover the same.

6. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from assessments of health and safety practices and working conditions of value chain partners.

Not Applicable

Business Responsibility and Sustainability Report (Contd.)
PRINCIPLE 4: BUSINESSES SHOULD RESPECT THE INTERESTS OF AND BE RESPONSIVE TO ALL ITS STAKEHOLDERS
Essential Indicators
1. Describe the processes for identifying key stakeholder groups of the entity.

In line with the Board approved policy on stakeholder engagement, 5paisa has evolved structured framework for engaging with its stakeholders and fostering enduring relationships with each one of them. The Policy sets out principles for engaging with its stakeholders and is a part of the company's operating philosophy, policies, standards, and values. 5paisa believes healthy stakeholder relationships are key to long-term value creation. Any individuals, groups of individuals or organizations that impact and/ or could be impacted by our organization's activities, products or services and associated performance are identified as a core stakeholder.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder group	Whether identified as vulnerable & marginalized group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community meetings, Notice board, Website), Other	Frequency of engagement (Annually/half-yearly quarterly/ others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees	No	Multiple channels – physical and digital like Review meets, Townhall meetings, Learning and development initiatives, Newsletters and portals, Discussions with senior leaders, Engagement initiatives/offsites etc.	Daily, Weekly, Monthly & Annually	Performance appraisal and rewards. Training and career development. Wellness & safety measures
Customers and Clients	No	Multiple channels – physical and Digital	Daily, Weekly, Monthly & Annually	Servicing throughout the lifecycle of the customer and address queries/grievances that the customer may have.
Business associates, dealers & Vendors	No	Multiple channels – physical and Digital	Daily, Weekly, Monthly & Annually	Product & Service quality and support, contract commercial and technical terms & conditions, custodial services, statutory Compliances
Regulatory Bodies	No	Multiple channels – physical and Digital	Event based	Discussions with regard to various approvals, circulars, guidelines, suggestions, amendments, etc.
Banks	No	Multiple channels – physical and Digital	Event based	Statutory Compliances
Shareholders, Investors, and Members	No	Multiple channels – physical and digital including quarterly investor presentations, press releases and communications through stock exchanges, participation in investor conferences, Annual General Meetings, Media Releases etc.	Quarterly, half yearly, Annually & Event based	To inform about the performance, major developments and other relevant updates regarding the Company and address their concerns & grievances.

Business Responsibility and Sustainability Report (Contd.)

Stakeholder group	Whether identified as vulnerable & marginalized group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community meetings, Notice board, Website), Other	Frequency of engagement (Annually/half-yearly quarterly/ others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Media & social organization	No	Multiple channels – physical and Digital	Daily, Weekly, Monthly & Annually	To stay abreast on the developments of the Company
Communities	Yes	Multiple channels – physical and Digital	Daily, Weekly, Monthly & Annually	To promote social welfare activities for inclusive growth, fair and equitable development and well-being of society through our business functioning

Leadership Indicators

- 1. Provide the processes for consultation between stakeholders and the board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the board.**

5paisa to the extent considered necessary and permitted by regulations, ensure transparent communication and access to relevant information about its decisions that impact relevant stakeholders, keeping in mind the need to protect confidential competitive plans and information. Engagement with stakeholders is a continuous process, as part of the business activities. Such engagement is generally driven by the responsible business functions, with senior executives also participating based on the need of the engagement. The BoD are updated on various developments arising out of such engagement and they provide their guidance/inputs on such matters.

- 2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes/No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into the policies and activities of the entity.**

Customer complaints/grievances are reviewed for a root cause analysis, which also gives an opportunity to improve its services. At the same time, the Company recognises that it is still in a learning phase on various evolving aspects and hence stakeholder interactions are important. The Company tries to engage with consultants and experts in this field, which helps to better understand expectations of stakeholders.

- 3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.**

5paisa through their CSR policies have taken up various initiatives and activities for the benefit of different segments of the society, with focus on the marginalized, poor, needy, deprived, under-privileged and differently abled persons.

Business Responsibility and Sustainability Report (Contd.)

PRINCIPLE 5: BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS
Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. of employees/ workers covered (B)	% (B/A)	Total (C)	No. of employees/ workers covered (D)	% (D/C)
Employees*						
Permanent	NIL	NIL	NIL	NIL	NIL	NIL
Other than permanent	NIL	NIL	NIL	NIL	NIL	NIL
Total employees	NIL	NIL	NIL	NIL	NIL	NIL
Workers						
Permanent	-	-	-	-	-	-
Other than permanent	-	-	-	-	-	-
Total Workers	-	-	-	-	-	-

Note: We will cover 100% of our employees in FY 2023-24 and train them on human rights issues and policy.

2. Details of minimum wages paid to employees and workers

Category	FY 2022-23					FY 2021-22				
	Total (A)	Equal to minimum wage		More than minimum wage		Total (A)	Equal to minimum wage		More than minimum wage	
		No. (B)	%B/A	No. (C)	%(C/A)		No. (B)	%(B/A)	No. (C)	%(C/A)
Employees										
Permanent										
Male	340	0	Not Applicable	340	100	-	-	-	-	-
Female	208	0	Not Applicable	208	100	-	-	-	-	-
Other than permanent										
Male	109	0	Not Applicable	109	100	-	-	-	-	-
Female	68	0	Not Applicable	68	100	-	-	-	-	-
Worker										
Permanent										
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-
Other than permanent										
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-

Business Responsibility and Sustainability Report (Contd.)
3. Details of remuneration/salary/wages

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration /salary/ wages of respective category
Board of Directors (BoD)	2	1,04,06,502	0	0
Key managerial personnel	0	0	1	55,20,000
Employees other than BoD and KMP	447	4,53,096	275	2,79,996
Workers	N.A.	N.A.	N.A.	N.A.

4. Do you have a focal point (individual/committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

Respect for human rights is considered as one of the fundamental and core values of the Company. The Company strives to support, protect, and promote human rights to ensure fair and ethical business and employment practices are followed. There are committees and policies formed to handle grievances and complaints related to human rights issues. and the details are placed on the intranet of the Company.

The Company has zero tolerance towards and prohibits all forms of child labour, slavery, forced labour, physical, sexual, psychological, or verbal abuse.

6. Number of complaints on the following made by employees and workers:

	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual harassment	Nil	Nil	-	Nil	Nil	-
Discrimination at workplace	Nil	Nil	-	Nil	Nil	-
Child labour	Nil	Nil	-	Nil	Nil	-
Forced labor/Involuntary labor	Nil	Nil	-	Nil	Nil	-
Wages	Nil	Nil	-	Nil	Nil	-
Other human rights-related issues	Nil	Nil	-	Nil	Nil	-

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The Company is committed to maintaining safe and harmonious business environment and workplace for everyone, irrespective of the ethnicity, region, sexual orientation, race, caste, gender, disability, work, designation and such other parameters. The Company ensures sensitization to important social factors like diversity and inclusion, workplace practices and prohibition of economic, racial, or physical inequalities. The Company strives to support, protect, and promote human rights to ensure fair and ethical business and employment practices are followed.

There are committees and policies formed to handle grievances and complaints related to human rights issues under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, Whistle Blower Policy etc. and the details are placed on the Intranet of the Company.

8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes, in certain business agreements and contracts wherever relevant.

Business Responsibility and Sustainability Report (Contd.)
9. Assessments of the year

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	-
Forced/involuntary labor	-
Sexual harassment	-
Discrimination at workplace	-
Wages	-
Others – Please specify	-

Note: In FY 2023-24, we will cover 100% of our offices for assessment.

10. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 9 above.

Not Applicable

Leadership Indicators
1. Details of a business process being modified/introduced as a result of addressing human rights grievances/complaints.

Our Company has not received any grievances/ complaints regarding human rights violations in F.Y. 2022-23.

2. Details of the scope and coverage of any human rights due diligence conducted

Great Place to work surveys are conducted every year. In the survey, questions related to human rights are touched upon. Based on this, yearly reports are published.

3. Is the premise/office of the entity accessible to differently-abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes. The office premises of the entity is accessible to differently abled visitors. Wheelchairs and wheelchair ramps for handicapped employees / customers are available at all locations.

4. Details on assessment of value chain partners:

	% of Value Chain Partners (by value of Business done with such partners) that were assessed
Child labour	-
Forced/involuntary labor	-
Sexual harassment	-
Discrimination at workplace	-
Wages	-
Others – Please specify	-

In all of our dealings, the Company expects its value chain partners to uphold the same values, beliefs, and business ethics as the Company. However no formal examination of value chain partners has been conducted.

5. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 4 above.

No corrective actions pertaining to question 4 was necessitated by the Company during FY 2022 -23.

Business Responsibility and Sustainability Report (Contd.)

PRINCIPLE 6: BUSINESSES SHOULD RESPECT AND MAKE EFFORTS TO PROTECT AND RESTORE THE ENVIRONMENT

Essential Indicators

1. Details of total energy consumption (in MJ) and energy intensity

Parameter	FY 2022-23	FY 2021-22
Total electricity consumption (A)	6834.564	5654.196
Total fuel consumption (B)	-	-
Energy consumption through other sources (C)	-	-
Total energy consumption (A+B+C)	6834.564	5654.196
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)	0.0000020233741017	0.0000019059629537
Energy intensity (Total energy consumption/FTE) in MWh/FTE	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, the name of the external agency. – No

2. Does the entity have any sites/facilities identified as designated consumers (DCs) under the performance, achieve, and trade (PAT) scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken if any.

Looking at the nature of our business this is not applicable.

3. Provide details of the following disclosures related to water:

Parameter	FY 2022-23	FY 2021-22
Water withdrawal by source in kiloliters		
i. Surface water	-	-
ii. Groundwater	-	-
iii. Third party water	116.331	65.387
iv. Seawater / desalinated water	-	-
v. Others	-	-
Total volume of water withdrawal (in kiloliters) (i + ii + iii + iv + v)	116.331	65.387
Total volume of water consumption (in kiloliters)	116.331	65.387
Water intensity per rupee of turnover (Water consumed / turnover)	0.00003443981688	0.00002204118847
Water intensity (optional) – the relevant metric may be selected by the entity		

Note: Indicate if any independent assessment /evaluation /assurance has been carried out by any external agency? (Y/N), If Yes, name of the external agency. – No

4. Has the entity implemented a mechanism for zero liquid discharge? If yes, provide details of its coverage and implementation.

Looking at the nature of our business this is not applicable

Business Responsibility and Sustainability Report (Contd.)
5. Please provide details of air emissions (other than GHG emissions) by the entity:

Looking at the nature of our business, this is not applicable

Parameter	Unit	FY 2022-23	FY 2021-22
NOx			
SOx			
Particulate matter (PM)			
Persistent organic pollutants (POP)			
Volatile organic compounds (VOC)			
Hazardous air pollutants (HAP)			
Others – ozone-depleting substances (HCFC - 22 or R-22)			

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. – No

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) and its intensity:

Parameter	Unit	FY 2022-23	FY 2021-22
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	-	-
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	1537.77	1272.19
Total Scope 1 and Scope 2 emissions per rupee of turnover		1537.77	1272.19
Total Scope 1 and Scope 2 emission intensity (optional)– the relevant metric may be selected by the entity			

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. – No

7. Does the entity have any project related to reducing greenhouse gas emissions? If Yes, then provide details.

No

8. Provide details related to waste management by the entity, in the following format: Total waste generated in metric tons

Parameter	FY 2022-23	FY 2021-22
Plastic waste (A)	Nil	Nil
E-waste (B)	Nil	Nil
Bio-medical waste (C)	Looking at the nature of our business, this is not applicable to us	
Construction and demolition waste (D)	We do not produce or dispose of any kind of biomedical, construction debris or radioactive waste. Hence it is not applicable.	
Battery waste (E)	NIL.	
Radioactive waste (F)	Looking at the nature of our business, this is not applicable to us	
Other Hazardous waste. Please specify, if any. (G)		
Other Non-hazardous waste generated (H). (Carton Box, White Paper, Book Cover Paper, Iron, Steel)	NIL.	
Total (A+B + C + D + E + F + G+ H)		

Business Responsibility and Sustainability Report (Contd.)

For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tons)

	FY 2022-23	FY 2021-22
Category of waste		
(i) Recycled	Not Applicable	Not Applicable
(ii) Re-used	Not Applicable	Not Applicable
(iii) Other recovery operations	Not Applicable	Not Applicable
Total		

For each category of waste generated, total waste disposed of by nature of disposal method (in metric tonnes)

Category of waste		
(i) Incineration	Not Applicable	Not Applicable
(ii) Landfilling	Not Applicable	Not Applicable
(iii) Other disposal operations	Not Applicable	Not Applicable
Total		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. – No

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce the usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

We strive to reduce waste and recycle as much as possible. Our waste primarily comprises of food, waste, paper, plastic and e-waste

Curbing generation of plastic waste: We have stopped procurement of plastic stationery and encourage our employees to use bottles made from environment friendly materials at our offices to reduce the number of plastic bottles being discarded after use. All our facilities use 100% biodegradable plastic garbage bags to collect and dispose off dry and wet waste.

Reducing paper and printing consumption: We have implemented strong measures like digitising our processes to reduce the need for paper. Further minimising the usage of paper across offices is an ongoing activity. Customer accounts have now transitioned to digital opening. The documents required as supporting are also uploaded digitally; accounts are being opened without any paper consumption. Paper based Office stationeries also have now been stopped apart from the mandatory ones.

E waste management: Our E-waste broadly includes computers, servers, scanners, UPSs, Batteries, Air conditioners etc. All such E-wastes are being disposed of through registered E-waste vendors.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones, etc.) where environmental approvals/clearances are required, please specify details in the following format.

Not Applicable. The Company does not have any offices in ecologically sensitive areas.

11. Details of Environmental Impact Assessments of projects undertaken by the entity based on applicable laws, in the current financial year.

Not Applicable

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India, such as the Water (prevention and control of pollution) Act, Air (prevention and control of pollution) Act, Environment Protection Act, and rules there under (Y/N). If not, provide details of all such non-compliances.

Yes. The Company is compliant with all applicable Laws, Rules and Regulations.

Business Responsibility and Sustainability Report (Contd.)
Leadership Indicators
1. Provide a break-up of the total energy consumed (in MWh) from renewable and non-renewable sources:

Parameter	FY 2022-23	FY 2021-22
From renewable sources	-	-
Total electricity consumption (A)	-	-
Total fuel consumption (B)	-	-
Energy consumption through other sources (C)	-	-
Total energy consumed from renewable sources (A+B+C)	-	-
From non-renewable sources	-	-
Total electricity consumption (D)	-	-
Total fuel consumption (E)	-	-
Energy consumption through other sources (F)	-	-
Total energy consumed from non-renewable sources (D+E+F)	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. – No

2. Provide the following details related to water discharged: Water discharge by destination and level of treatment (in kiloliters)

Parameter	FY 2022-23	FY 2021-22
(i) To surface-water	-	-
No treatment	-	-
With treatment – please specify the level of treatment	-	-
(ii) To groundwater	-	-
No treatment	-	-
With treatment – please specify the level of treatment	-	-
(iii) To seawater	-	-
No treatment	-	-
With treatment – please specify the level of treatment	-	-
(iv) Sent to third parties	-	-
No treatment	-	-
With treatment – please specify the level of treatment	-	-
(v) Others	-	-
No treatment	-	-
With treatment – please specify the level of treatment	-	-
Total water discharged (in kiloliters)	-	-

Note: Looking at the nature of our business, this is not applicable to us.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. – Not Applicable

Business Responsibility and Sustainability Report (Contd.)
3. Water withdrawal, consumption and discharge in areas of water stress (in kiloliters): For each facility/plant located in areas of water stress, provide the following information:

- (I) Name of the area:
 (ii) Nature of operations:
 (iii) Water withdrawal, consumption and discharge: -

Parameter	FY 2022-23	FY 2021-22
Water withdrawal by source (in kiloliters)	-	-
(i) Surface-water	-	-
(ii) groundwater	-	-
(iii) Third-party water	-	-
(iv) Seawater/desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kiloliters)	-	-
Total volume of water consumption (in kiloliters)	-	-
Water intensity per rupee of turnover (Water consumed/turnover)	-	-
Water intensity (optional) – the relevant metric may be selected by the entity	-	-
Total volume of water consumption (in kiloliters)	-	-

Parameter	FY 2022-23	FY 2021-22
Water discharge by destination and level of treatment (in kiloliters)	-	-
(i) Into surface-water	-	-
No treatment	-	-
With treatment – please specify the level of treatment		
(ii) Into groundwater		
No treatment		
With treatment – please specify the level of treatment		
(iii) Into seawater		
No treatment		
With treatment – please specify the level of treatment		
(iv) Sent to third parties		
No treatment		
With treatment – please specify the level of treatment	-	-
(v) Others	-	-
No treatment	-	-
With treatment – please specify the level of treatment	-	-
Total water discharged (in kiloliters)	-	-

Note:-Looking at the nature of our business, this is not applicable to us.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. – Not applicable

Business Responsibility and Sustainability Report (Contd.)
4. Please provide details of total Scope 3 emissions & their intensity:

Parameter	Unit	FY 2022-23	FY 2021-22
Total Scope 3 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	-	-	-
Total Scope 3 emissions per turnover in Million	-	-	-
Total Scope 3 emission intensity	-	-	-

Note: We will incorporate Scope 3 emissions in FY 2023-24.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.- No

5. With respect to the ecologically sensitive areas reported at Question 10 of the essential indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along with prevention and remediation activities.

Our Company does not have any significant direct and indirect impact on ecologically sensitive areas.

6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions/effluent discharge/waste generated, please provide details of the same as well as the of such initiatives. – Not Applicable
7. Does the entity have a business continuity and disaster management plan?

Our Company has implemented Business Continuity Policy (BCP) wherein critical processes and other enablers have been identified and appropriate recovery plans have been put in place for such critical processes to ensure timely recovery of the Company's operations and services in the event of a crisis. BCP Framework ensures continuity of critical processes to extend essential services to the customers. Regular mock tests are carried out to ascertain BCP preparedness.

8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?

Not Applicable

9. Percentage of value chain partners (by the value of business done with such partners) that were assessed for environmental Impacts.

Not Applicable

PRINCIPLE 7: BUSINESSES, WHEN ENGAGING IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A MANNER THAT IS RESPONSIBLE AND TRANSPARENT
Essential Indicators

1. a. Number of affiliations with trade and industry chambers/associations. - 1
- b. List the top 10 trade and industry chambers/associations (determined based on the total members of such a body) the entity is a member of/affiliated to.

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Association of Mutual Funds in India (AMFI)	National

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity-based on adverse orders from regulatory authorities.

No material instances reported

Business Responsibility and Sustainability Report (Contd.)

Leadership Indicators

1. Details of public policy positions advocated by the entity:
Looking at the nature of our business, this is Not applicable

S. No.	Public policy advocated	Method resorted to such advocacy	Whether information available in the public domain? (Yes/No)	Frequency of review by the board (Annually/half yearly/quarterly/ others– please specify)	Web link, if available
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PRINCIPLE 8: BUSINESSES SHOULD PROMOTE INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.
Not Applicable
2. Provide information on the project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity:
Not Applicable
3. Describe the mechanisms to receive and redress the grievances of the community.
5paisa have various mechanisms to receive and redress grievances of various stakeholders
4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

Parameter	FY 2022-23	FY 2021-22
Directly sourced from MSMEs/small producers	-	-
Sourced directly from within the district and neighboring districts	-	-

Note: In FY 2023-24, we will provide the data for above information sought.

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the social Impact assessments (Reference: Question of essential indicators above):
Not Applicable
2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

S. No.	State	Aspirational district	Amount spent (In INR)
	Not Applicable	Not Applicable	Not Applicable

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable group?
Given the nature of business of the Company, the sourcing needs of our Company are limited. However, the CSR policy of the Company provides for preferential procurement of materials from suppliers identified under vulnerable and marginalized groups, while implementing its projects through IIFL Foundation.
- (b) From which marginalized/vulnerable groups do you procure?
In FY 2023-24, we will provide the data for the information required.
- (c) What percentage of total procurement (by value) does it constitute?
In FY 2023-24, we will provide the data for the information required.

Business Responsibility and Sustainability Report (Contd.)

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

Not Applicable

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property-related disputes wherein usage of traditional knowledge is involved.

Not Applicable

6. Details of beneficiaries of CSR projects:

S. no	CSR project	No. of persons benefited from CSR projects*	% of beneficiaries from vulnerable and marginalized groups*
1.	Sakhiyo ki baadi - Promoting education		
2.	Sports Project - Training to Promote National Recognized sports		
3.	Children Support Child Help Foundation		

*Note: Even though we have taken CSR projects, the details of no. of persons benefited as well as the details of % beneficiaries data will be filled in FY 2023-24.

PRINCIPLE 9: BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CONSUMERS IN A RESPONSIBLE MANNER
Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

Timely and appropriate customer grievance redressal is imperative. In fact, we aim to reduce the grievances, learning from our experiences, through root cause analysis. The dealings with our customers are professional, fair and transparent. 5paisa has a customer care policy to ensure effective customer relationship management by the Company.

2. Turnover of products and/or services as a percentage of turnover from all products/services that carry information about:

Not Applicable

3. Number of consumer complaints in respect of the following:

	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	NIL	NIL	NIL	NIL	NIL	NIL
Advertising	NIL	NIL	NIL	NIL	NIL	NIL
Cyber-security	NIL	NIL	NIL	NIL	NIL	NIL
Delivery of essential services	NIL	NIL	NIL	NIL	NIL	NIL
Restrictive trade practices	NIL	NIL	NIL	NIL	NIL	NIL
Unfair trade practices	NIL	NIL	NIL	NIL	NIL	NIL
Other	NIL	NIL	NIL	NIL	NIL	NIL

**Business Responsibility and Sustainability Report (Contd.)****4. Details of instances of product recalls on account of safety issues.**

Not Applicable

5. Does the entity have a framework/policy on cyber security and risks related to data privacy? If available, provide a web link to the policy.

Yes, the company has Board approved Information and Cyber Security Policy, Business Continuity Management Policy. Given the rapid technological and digital advancement, cyber risks are inevitable. The Company has strong Cyber Risk Management framework wherein cyber risk and its mitigation are monitored by the Information Technology Committee and Risk Management Committee.

The weblink for Cyber Security Policy is as follows:

<https://www.5paisa.com/investor-relations>

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on the safety of products/ services.

Not Applicable

Leadership Indicators**1. Channels/platforms where information on products and services of the entity can be accessed.**

The information on various services of the entity can be accessed on Company's website <https://www.5paisa.com/>

2. Steps were taken to inform and educate consumers about safe and responsible usage of products and/or services.

The information on various services of the entity can be accessed on Company's website <https://www.5paisa.com/>

The following steps are taken to inform and educate consumers about safe and responsible usage of products and services

- a) Information is regularly updated on website
- b) Regular emailers, SMS and Notifications are sent to consumers

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

Consumers are informed of any risk of disruption/ discontinuation of essential services through the below means of communication. a) Call Centre b) Website c) Email and SMS d) Registered Office of the Company

4. Does the entity display product information on the product over and above what is mandated as per local laws? Did your entity carry out any survey with regard to consumer satisfaction relating to the major products/services of the entity, significant locations of operation of the entity, or the entity as a whole? (Yes/No)

Yes, we provide service information on our website over and above what is mandated under local laws.

5. Provide the following information relating to data breaches:**a. Number of instances of data breaches along with impact.**

No instances reported in FY 2022-23. Survey was carried out to understand customer advocacy of the Company's products and services. This is carried out telephonically across all segments of our customer base.

b. Percentage of data breaches involving personally identifiable information of customers.

The Company did not witness any instances of data breaches during the year

Corporate Governance Report

This Corporate Governance Report relating to the year ended March 31, 2023 has been issued in compliance with the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendment thereof and forms a part of the Report of the Directors to the Members of the Company.

To comply with Regulation 34 read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the report containing the details of Corporate Governance of 5paisa Capital Limited ('5paisa Capital', 'our Company') is as follows:

1. OUR COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

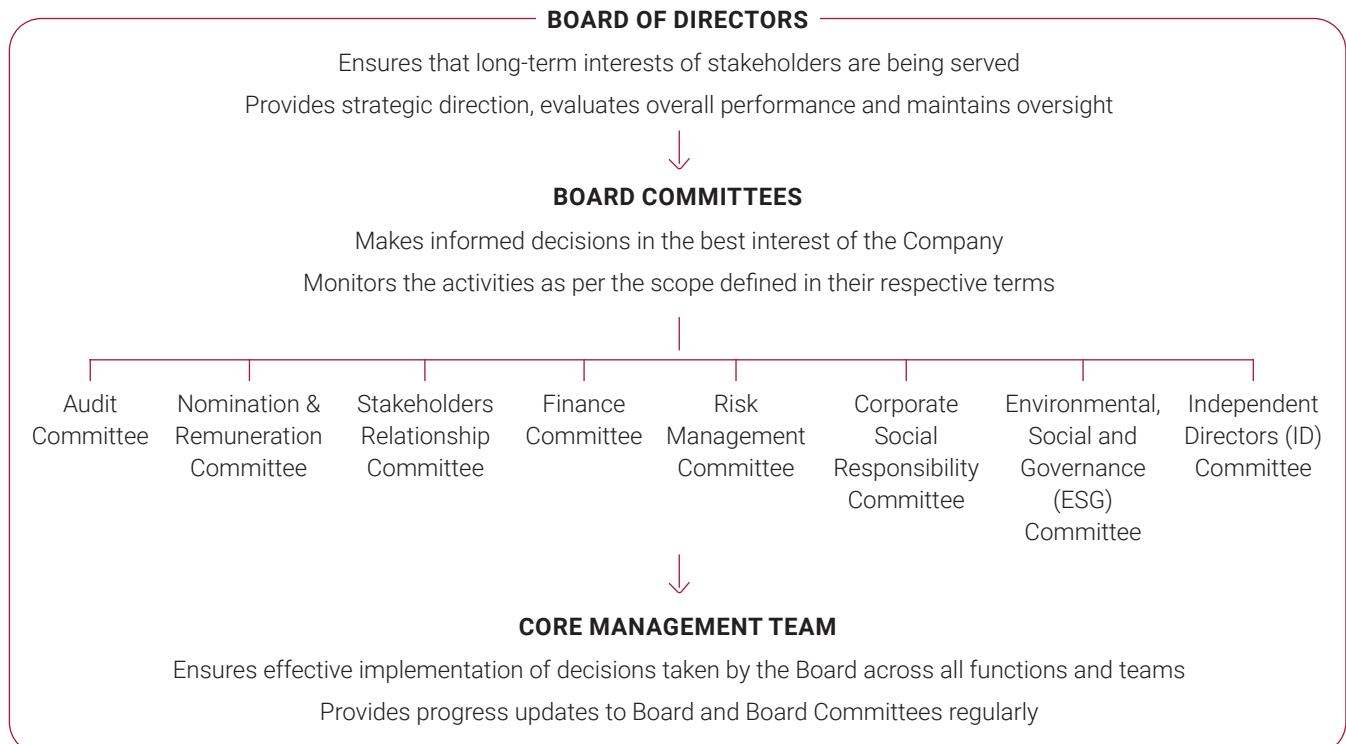
5paisa Capital follows the highest standards of governance and disclosure. The corporate governance framework of our Company is driven by the objective of enhancing long term stakeholder value without compromising on ethical standards. We firmly believe that adherence to business ethics and sincere commitment to corporate governance will help us achieve our vision of being the most respected fintech Company in India. Since inception, the promoters of our company have

demonstrated exemplary track record of governance and utmost integrity. Our Company is in compliance with the requirements of the Listing Regulations. With the implementation of stringent employee code of conduct policy and adoption of a Whistle Blower Policy, our Company has moved ahead in its pursuit of excellence in corporate governance.

Our Company's corporate governance philosophy is based on an effective Independent Board, the separation of the Board's supervisory role from the executive management and the Board Committees. Our Board has Independent Directors, highly respected for their professional integrity as well as rich financial experience and expertise.

Our aim is to create value that can be sustained over the long term for customers, shareholders, employees, business partners and the nation as a whole. We are conscious of the fact that our Company's success is a reflection of the professionalism, conduct and ethical values of its management and employees. In addition to compliance with regulatory requirements, our Company endeavors to ensure that highest standards of ethical and responsible conduct are met throughout the organization. We consider our stakeholders as partners in success, and remain committed to maximizing stakeholders' value.

CORPORATE GOVERNANCE FRAMEWORK



Corporate Governance Report (Contd.)

2. SHAREHOLDERS:

The Companies Act, 2013 ("the Act"), Listing Regulations prescribe the governance mechanism by shareholders in terms of passing of ordinary and special resolutions, voting rights, participation in the corporate actions such as bonus, buyback of shares, declaration of dividend, etc. Our Company follows a robust process structure. Sincerity, fairness, good citizenship and commitment to compliance are key characteristics that drive relationships of the Board and senior management with other stakeholders.

3. GOVERNANCE POLICIES:

At 5paisa, we strive to conduct our business in a manner that is dignified, distinctive and responsible, which in turn will further strengthen our relationships with all stakeholder groups. We follow ethical standards to ensure integrity, transparency, independence and accountability while dealing with all stakeholders. Therefore, we have adopted various codes and policies to carry out our duties in an ethical manner. Some of the codes and policies are as follows:

- Code of Conduct for Board of Directors and Senior Management
- Code of Conduct for Prohibition of Insider Trading
- Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI)
- Policy on Related Party Transactions
- Corporate Social Responsibility Policy
- Policy for determining of Material Subsidiaries and Governance of Subsidiaries
- Policy for determination of Materiality of Events/Information
- Remuneration Policy for Directors, Key Managerial Personnel, Members of Senior Management and other Employees of the Company
- Familiarization Program for Independent Directors
- Board Diversity Policy
- Vigil Mechanism/Whistle Blower Policy
- Policy for Preservation of Documents/Archival Policy
- Risk Management Policy
- Dividend Distribution Policy
- Policy for Prevention, Prohibition and Redressal of Sexual Harassment at Workplace

These policies are available on our corporate website and can be accessed at <https://www.5paisa.com/investor-relations>.

4. BOARD OF DIRECTORS:

(a) Composition of the Board of Directors as on March 31, 2023:

The Board of Directors along with its Committees provides leadership and guidance to the Management and directs and supervises the performance of your Company, thereby enhancing stakeholder value. The Board has a fiduciary relationship in ensuring that the rights of all stakeholders are protected. Your Company has an engaged and well-informed Board with qualifications and experience in diverse areas.

The Company's Board has an optimum combination of Executive and Non-Executive Directors including two Women Directors.

As on March 31, 2023, the Board of Directors ("Board") of our Company comprised of a combination of Executive and Non-Executive Directors (Four Independent Directors including two Women Independent Directors) which is in conformity with Regulation 17 and 17A of the Listing Regulations read with Section 149 of the Act. The Chairperson of the Board is an Independent Director. The Independent Directors constitute more than one-half of the total Board strength. The Board provides leadership, strategic guidance and discharges its fiduciary duties of safeguarding the interest of our Company and its stakeholders.

In the opinion of the Board, all the Independent Directors are independent of the management and satisfy the criteria of independence as defined under the Act, the Listing Regulations.

In terms of the provisions of the Act and the SEBI Listing Regulations, the Directors of our Company have submitted necessary disclosures regarding the positions held by them on the Board and/or the Committees of other companies with changes therein, if any, on a periodical basis. On the basis of such disclosures, it is confirmed that as on March 31, 2023, none of the Directors of the Company:

- Hold Directorship positions in more than twenty (20) companies [including ten (10) public limited companies and seven (7) listed companies].
- Hold Executive Director position and serve as an Independent Director in more than three (3) listed companies.
- Is a Member of more than ten (10) Committees and/or Chairperson of more than five (5) Committees (Committees being Audit Committee and Stakeholder Relationship Committee), across all the Indian public limited companies in which they are Directors.

Corporate Governance Report (Contd.)

Independent Directors are Non-executive Directors as defined under Regulation 16(1)(b) of the Listing Regulations read with Section 149(6) of the Act and the Rules framed thereunder. In terms of Regulation 25(8) of the Listing Regulations, they have confirmed that they are not aware of any circumstances or situations which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the Listing Regulations and that they are independent of the management.

None of the Directors of the Company are related to each other. The composition of the Board is as follows:

Category	Name of the Directors
Executive Directors	Mr. Prakarsh Gagdani (Whole-Time Director and Chief Executive Officer)
	Mr. Gourav Munjal (Whole-Time Director and Chief Financial Officer)
Independent Non – Executive Directors	Dr. Archana Hingorani
	Ms. Nirali Sanghi
	Mr. Milin Mehta
	Mr. Ravindra Garikipati

(b) Brief profiles of the Directors are as follows:

- DR. ARCHANA HINGORANI – Chairperson and Independent Director**

Dr. Archana Hingorani is the Chairperson and Independent Director of our Company. She holds a MBA and Ph.D. in finance from the University of Pittsburgh, United States. She has over thirty-three (33) years' experience in the asset management business, teaching and research. In the recent past, she was associated with IL&FS Group until 2017 in various capacities, including being the CEO of IL&FS Investment Managers Limited. She has rich experience in fund raising, investing, nurturing investments through four different economic cycles and carving exit paths, among others. She has also

been involved in mentoring and nurturing smaller start-ups in the technology, education, financial inclusion and encouraging start-ups run by women entrepreneurs. She has been named as the most influential woman in India by various publications, including Business Today in the year 2011, 2012 and 2013, Asian Investor in the year 2014, and Fortune India in year 2014, 2015 and 2016.

Expertise in specific functional areas	Business Management and Finance	
	Name of the Company	Category of Directorship
List of Directorship held in other listed Companies	Alembic Pharmaceuticals Limited	Non-Executive Independent Director
	DEN Networks Limited	Non-Executive Independent Director
	Grindwell Norton Limited	Non-Executive Independent Director
	Balaji Telefilms Limited	Non-Executive Independent Director
No of shares held in the Company	Nil	

- MR. PRAKARSH GAGDANI - Whole-Time Director & Chief Executive Officer**

Mr. Prakarsh Gagdani is the Whole-Time Director and Chief Executive Officer of our Company. He holds a Post Graduate Diploma in Business Management and has done his Bachelor's in Business Management from Mulund College of Commerce, Mumbai University. He has about Twenty (20) years of cross functional experience in sales, advisory, product development and business development. In the past, he was associated with Angel Broking Limited for about Twelve (12) years.

Corporate Governance Report (Contd.)

Expertise in Specific Functional Areas	Business Management, Corporate Strategy and Retail Equity Broking	
List of Directorship held in other Companies	Name of the Company	Category of Directorship
	5paisa P2P Limited	Director
	5paisa Corporate Services Limited (Formerly known as 5paisa Insurance Brokers Limited)	Director
	5paisa Trading Limited	Director
	5paisa International Securities (IFSC) Limited	Director
No of shares held in the Company	80040 Equity Shares	

Note:

Mr. Prakarsh Gagdani is not a Director in any other listed entity. Hence his directorship in other public/private companies are provided.

• **MS. NIRALI SANGHI - Independent Director**

Ms. Nirali Sanghi is an Independent Director of our Company. She founded India Parenting Private Limited in 1999 and serves as its Chief Executive Officer and President. Prior to that, she served at Erstwhile Baring Brothers (New York), Citibank (New York and Mumbai) and The Boston Consulting Group (Mumbai). Ms. Sanghi spent nine (9) years in the United States where she received her Bachelor's in Economics and Computer Science from Barnard College, Columbia University (New York, USA) and M.B.A in Finance and Marketing from Columbia Business School (New York, USA).

Expertise in specific functional areas	Corporate Strategy, Finance, Product Design and Marketing	
List of Directorship held in other Companies	Name of the Company	Category of Directorship
	India Parenting Private Limited	Director
No of shares held in the Company	Nil	

Note:

Ms. Nirali Sanghi is not a Director in any other listed entity. Hence her directorship in other public/private companies is provided.

• **MR. GOURAV MUNJAL – Whole-Time Director and Chief Financial Officer**

Mr. Gourav Munjal is a Whole-Time Director and Chief Financial Officer of our Company. He holds a bachelor's degree in Commerce from Kurukshetra University and is a qualified Chartered Accountant, Company Secretary, and a diploma holder in IFRS from the Association of Chartered Certified Accountants (ACCA). He has twelve (12) years of experience in the field of Finance, Accounts, Treasury, Cost control and process improvements. Before joining our Company, he was associated with the IIFL Group and has handled same functions.

Expertise in Specific Functional Areas	Accounts, Finance and Taxation	
List of Directorship held in other Companies	Name of the Company	Category of Directorship
	5paisa P2P Limited	Director
	5paisa Corporate Services Limited (Formerly known as 5paisa Insurance Brokers Limited)	Director
	5paisa Trading Limited	Director
	5paisa International Securities (IFSC) Limited	Director
No of shares held in the Company	200 Equity Shares	

Note:

Mr. Gourav Munjal is not a Director in any other listed entity. Hence his directorship in other public/private companies is provided.

• **MR. MILIN MEHTA - Independent Director**

Mr. Milin Mehta is an Independent Director of our Company. He is a Chartered Accountant and is a senior partner at K. C. Mehta & Co. Chartered Accountants (Baroda, Mumbai, Ahmedabad and Bangalore), for about three (3) decades. He is a fellow member of the Institute of Chartered Accountants of India. He is also a Law Graduate and has obtained a Master's Degree in Commerce.

Corporate Governance Report (Contd.)

Mr. Milin Mehta has also been invited as a special invitee to the committee of the Institute of Chartered Accountants of India before the Central Board of Direct Taxes/Standing Committee of the Parliament on formation of new Direct Tax Code.

He has held the position of Treasurer and Vice Chairman of the Western India Regional Council of Institute of Chartered Accountants of India covering Gujarat, Maharashtra and Goa. He has also co-authored a book on "Minimum Alternate Tax" published by the Bombay Chartered Accountants' Society.

Expertise in Specific Functional Areas	Accounts, Finance and Taxation	
List of Directorship held in other Listed Companies	Name of the Company	Category of Directorship
	VA Tech Wabag Limited	Non-Executive Independent Director
	Shaily Engineering Plastics Limited	Non-Executive Independent Director
	Styrenix Performance Materials Limited	Non-Executive Independent Director
No of shares held in the Company	Nil	

• **MR. RAVINDRA GARIKIPATI - Independent Director**

Mr. Ravindra Garikipati is an Independent Director of our Company. He is an entrepreneur and technologist with over thirty-one (31) years of experience mostly in technology and executive leadership roles. He is a Board Member and advisor to many late-stage startups and an active angel investor in deepTech, fintech and consumerTech startups. He has also Co-founded a fintech startup Davinta Finserv Private Limited focusing on Financial Inclusion for the bottom of the pyramid.

Prior to co-founding Davinta, as a Chief Technology Officer (CTO) at Flipkart, he defined and executed technology vision and roadmap to transform commerce. Also founded fintech as a new vertical with a mission to offer financial products to 100s

of millions of underserved and unserved Indians by leveraging data, digital distribution and technology.

Prior to Flipkart, he was President and Chief Technology Officer (CTO) at [24]7.ai, a sequoia funded company where he led global product and technology groups to build one of the largest omni-channel customer acquisition & engagement platform.

He also held various senior engineering management positions at Oracle and Covansys, where he gained extensive experience in building scalable enterprise application architectures and services.

He holds a Master of Science degree in Software Engineering from Birla Institute of Technology & Science, Pilani, India and a Master's degree in Management from Birla Institute of Technology & Science, Pilani, India.

Expertise in Specific Functional Areas	Technology, Strategy Development and Implementation	
List of Directorship held in other Listed Companies	Name of the Company	Category of Directorship
	NIIT Limited	Independent Director
No of shares held in the Company	Nil	

(c) **Matrix chart of core skills/expertise/competencies of the Board members:**

The Board of Directors of our Company has adopted the policy on Board Diversity and the same can be accessed on web link <https://www.5paisa.com/investor-relations>. We aim to maintain a Board comprised of talented and dedicated directors with a diverse mix of expertise, experience, skills and backgrounds. For the purposes of Board composition, diversity includes, but is not limited to, educational and functional background, industry experience, geography, age, insider status, gender, and ethnicity. The skills and backgrounds collectively represented on the Board reflect the diverse nature of the business environment in which our Company operates. Accordingly, a matrix chart setting out the core skills, experience, and competencies of the Board of Directors is mentioned below:

Corporate Governance Report (Contd.)

Technical skills/experience/competencies	Dr. Archana Hingorani	Mrs. Nirali Sanghi	Mr. Prakarsh Gagdani	Mr. Ravindra Garikipati	Mr. Gourav Munjal	Mr. Milin Mehta
Knowledge of the Sector	√	√	√	√	√	√
Accounting and Finance	√	√	√	√	√	√
Corporate Governance and Compliances	√	√	√	√	√	√
Marketing experience			√			
Strategy development and implementation	√	√	√	√	√	√
Information Technology			√	√		
Stakeholders Relationship	√	√	√	√	√	√
Risk Management System	√	√	√	√	√	√
CEO/Senior Management Experience/Leadership	√	√	√	√	√	√

The Board of our Company has the necessary Skills/Expertise/Competence in all the above-mentioned areas.

(d) Selection of Independent Directors:

Independent Directors play a significant role in the governance processes of the Board. By virtue of their varied expertise and experience, they enrich the Board's decision making and prevent possible conflicts of interest that may emerge in such decision-making and safeguards the interests of all stakeholders, particularly the minority shareholders.

Considering the requirement of skill sets on the Board, eminent individuals having an independent standing in their respective field/profession and who can effectively contribute to our Company's business and policy decisions are considered by the Nomination and Remuneration Committee, for appointment, as an Independent Director on the Board. The Committee, *inter-alia*, considers criteria as prescribed under the Companies Act, 2013 ('the Act') and the Listing Regulations viz. positive attributes, area of expertise, number of directorships and memberships held in various committees of other companies by such persons in accordance with our Company's Policy. The Board considers the Committee's recommendation and takes appropriate decision. A statement in connection with fulfilling the criteria of Independence and directorships as required under the provisions of the Act and Listing Regulations has been received from each of Independent Directors. Our Company had also issued formal appointment letters to all the Independent Directors in the manner provided under the Act. The terms and conditions for appointment of Independent Directors are available on our Company's corporate website at <https://www.5paisa.com/investor-relations>. In the opinion

of the Board, all the Independent Directors fulfill the conditions as specified in the Act and Listing Regulations and are Independent of the management.

The maximum tenure of the Independent Directors is in compliance with the provisions of the Listing Regulations and the Act. No Independent Director of our Company has resigned. However, Ms. Nirali Sanghi whose term expired on January 11, 2023 has been re-appointed for a second term of five (5) years by the Board of Directors pursuant to the recommendation of the Nomination and Remuneration Committee in their meeting held on April 27, 2022 and the said appointment was approved by the shareholders in the 15th Annual General Meeting (AGM) of the company held on July 11, 2022.

(e) Board Meetings and Directorship / Committee membership(s) of Directors:

During the F.Y. 2022-2023, 5 (Five) Board Meetings were held on the following dates:

- April 27, 2022
- July 11, 2022
- October 19, 2022
- December 06, 2022
- January 11, 2023

The maximum gap between any two Meetings did not exceed 120 days. Further, our Company has adopted and adhered to the Secretarial Standards prescribed by The Institute of Company Secretaries of India and approved by the Central Government.

Corporate Governance Report (Contd.)

Agenda papers containing all necessary information/ documents are made available to the Board/ Committees in advance to enable the Board/ Committees to discharge its responsibilities effectively and take informed decisions. Where it is not practicable to attach or send the relevant information as a part of agenda papers, the same are tabled at the meeting or/ and the presentations are made by the concerned managers to the Board, subject to compliance with legal requirements. Considerable time is spent by the Directors on discussions and deliberations at the Board/ Committee Meetings.

The table below gives the details of the names of the members of the Board, their status, their attendance at the Board Meetings and the last AGM, their Directorships, Committee Memberships and Chairmanships in Indian Companies as on March 31, 2023. It excludes Directorships of Associations, Private Limited Companies, Foreign Companies, companies incorporated under Section 8 of the Act, Government Bodies and Alternate Directorships:

Name of the Director (DIN)	Date of appointment/ re-appointment	Category	Number of board meeting attended during the year	Attendance at last AGM	Directorships in Indian Public Limited companies (Including 5paisa Capital Limited)	Membership of Committees (including of 5paisa Capital Limited)^	
						Member@	Chairman@
Dr. Archana Hingorani (DIN: 00028037)	07/06/2022	Independent Director and Chairperson	04	Yes	6	8	2
Mr. Prakarsh Gagdani (DIN: 07376258)	22/12/2021	Whole-Time Director and Chief Executive Officer	05	Yes	5	1	0
Ms. Nirali Sanghi* (DIN: 00319389)	12/01/2023	Independent Director	05	Yes	1	2	1
Mr. Ravindra Garikipati (DIN: 00984163)	03/09/2020	Independent Director	05	Yes	2	1	0
Mr. Gourav Munjal# (DIN: 06360031)	16/01/2023	Whole-Time Director and Chief Financial Officer	05	Yes	5	0	0
Mr. Milin Mehta (DIN: 01297508)	01/04/2020	Independent Director	05	Yes	6	6	5

Note:

- The committees considered for the above purpose are those prescribed in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as amended viz. Audit Committee and Stakeholders Relationship Committee.
- In the column of Membership of Director, the total membership of Director as a member of the Audit and Stakeholders Relationship Committee is considered irrespective of him/her being a Chairperson of that particular Committee. Similarly in the column of Chairperson, the Director is counted as a Chairperson irrespective of being him/her considered as member of the Committee.
- *The Board of Directors in their meeting held on April 27, 2022 and the Shareholders in the 15th AGM of the Company Held on July 11, 2022 approved the re-appointment of Ms. Nirali Sanghi for a second term of five (5) years w.e.f. January 12, 2023.
- #The Board of Directors in their meeting held on April 27, 2022 and the Shareholders in the 15th AGM of the Company Held on July 11, 2022 approved the re-appointment of Mr. Gourav Munjal for a second term of five (5) years w.e.f. January 16, 2023.

No recommendation of any Committee which is mandatorily required to have Board approval in FY 2022-23 was rejected/not accepted by the Board.

Information Flow to the Board Members:

Information is provided to the Board Members on a continuous basis for their review, inputs and approval from time to time. More specifically, we present our annual strategic plan and operating plans of our business to the Board for their

Corporate Governance Report (Contd.)

review, inputs and approval at the first meeting of the Board of Directors held for the Financial Year. Likewise, our company's quarterly financial statements and annual financial statements are first presented to the Audit Committee and subsequently to the Board for their approval. In addition, various matters such as appointment of Directors and Key Managerial Personnel, Corporate Actions, review of internal and statutory audits, details of investor grievances, acquisitions, important managerial decisions, material positive/negative developments and statutory matters are presented to the respective Committees of the Board and later with the recommendation of Committees to the Board of Directors for their approval.

Post-Meeting Follow-up System:

After the Board meeting, we have a formal system of follow-up, review and reporting on actions taken by the management on the decisions of the Board and sub-committees of the Board.

(f) Board Level Performance Evaluation:

The Nomination and Remuneration Committee has laid down the criteria for performance evaluation of Executive Directors, Non-Executive Directors including Independent Directors ("IDs") and Board as a Whole.

The performance evaluation is carried out on annual basis. During the year, the Directors participated in the evaluation process which included evaluation of the Executive Directors, Non-Executive Directors including Independent Directors and Board as a whole. All Directors participated in the performance evaluation process. The results of evaluation were discussed in the Independent Director's meeting held on March 21, 2023.

The criteria for performance evaluation are as under:

For Chairman:

The criteria for performance evaluation of Chairman, *inter alia*, includes his ability to conduct meetings, ability to elicit inputs from all members, ability to table and openly discuss challenging matters, attendance at meetings, assistance to board in formulating policies and setting standards, accessibility, ability to analyze strategic situations, ability to project positive image of our Company, compliance with regulatory requirements.

For Executive Directors:

The criteria for performance evaluation of Executive Directors, *inter alia*, includes their ability to elicit inputs from all members, ability to table and openly discuss challenging matters, attendance and participation

at meetings, integrating quality and re-engineering, capitalize on opportunities created by economic and technological changes, assistance to board in formulating policies and setting standards and following them, accessibility, ability to analyze strategic situations, ability to project positive image of our Company, compliance with regulatory requirements, handling critical situations concerning the group.

For Non-Executive Directors (including Independent Directors):

The criteria for performance evaluation of Non-Executive Directors, *inter alia*, includes attendance at the meetings, study of agenda and active participation, contribution to discussions on strategy, participate constructively and actively in committees of the Board, exercise of skills and diligence with due and reasonable care and to bring independent judgment to the Board, ability to bring in best practices from his/ her experience, adherence to the code of conduct.

For Board as a whole:

The criteria for performance evaluation of the Board, *inter alia*, includes composition and diversity, induction program, teamwork, performance culture, risk management and financial controls, integrity, credibility, trustworthiness, active and effective participation by members.

(g) Separate meetings of the Independent Directors:

In compliance with the provisions of the Act and Regulation 25 of Listing Regulations, a separate meeting of Independent Directors of the Company was without the presence of the Executive Directors & Management Representatives held on March 21, 2023, *inter alia*, to discuss the following:

- To review and evaluate the performance of Non-Independent Directors and the Board and Committee as a whole.
- To review and evaluate the performance of the Chairperson of the company, taking into account the views of the Executive and Non-Executive Directors.
- To assess and evaluate the quality, quantity and timeliness of flow of information between the Company's management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Upon the conclusion of the meeting, the Independent Directors expressed their satisfaction over the performance of the other Directors and the Board and Committee as a whole. They also expressed their

Corporate Governance Report (Contd.)

satisfaction over the quality, quantity and flow of information between the company management and the Board / Committees of the Board from time to time. The consolidated Evaluation Report of the Board, based on inputs received from the Directors was discussed at the meeting of the Board held on May 01, 2023 and the action areas identified in the process are being implemented to ensure a better interface at the Board/ Management level.

In compliance with Regulation 30 read with Schedule III of the Listing Regulations, we wish to inform that the Board of Directors of the Company at its meeting held on December 06, 2022 had considered and approved the Scheme of Arrangement between IIFL Securities Limited and 5paisa Capital Limited and their respective shareholders and creditors, which inter alia provides for the demerger, transfer and vesting of the Online Retail Trading Business of the IIFL Securities Limited (the Demerged Undertaking) (as defined in the Scheme) into the Company, on a going concern basis and in consideration thereof. The Company shall issue its equity shares to the shareholders of the IIFL Securities Limited which shall be listed on BSE Limited and the National Stock Exchange of India Limited (collectively referred to as "Stock Exchanges"). The Scheme is, inter alia, subject to receipt of approval from the statutory, regulatory and customary approvals, including approvals from Stock Exchanges, National Company Law Tribunal, Mumbai Bench and the shareholders and creditors of the companies involved in the Scheme and the Company is in the process of seeking the same.

The Company has filed an application with BSE Limited, National Stock Exchange of India Limited and such other membership departments wherein the Company holds membership for obtaining No objection certificate pursuant to Regulation 37 of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 and the same is under process. We shall file an application to the Hon'ble National Company Law Tribunal (NCLT), Mumbai Bench for the sanction of scheme post receipt of No objection letter from the aforesaid exchanges and other authorities.

Upon the Scheme becoming effective, the company shall issue 1 (one) fully paid-up equity share of INR 10 (Indian Rupees Ten only) each of 5paisa Capital Limited for every 50 (fifty) equity shares of INR 2 (Indian Rupees Two only) each of IIFL Securities Limited.

The details of the Scheme and other related documents are available on our company's corporate website at <https://www.5paisa.com/investor-relations>.

(h) Familiarization program for Independent Directors:

The Board members are provided with necessary documents/ brochures, reports and internal policies to enable them to familiarize with our Company's procedures and practices. Periodic presentations are made at the Board and Board Committee Meetings, on business and operations of our Company as well as the Group. Quarterly updates on relevant statutory changes are discussed at the Board meetings. The details of such familiarization programs of our Company may be accessed on our company's corporate website at <https://www.5paisa.com/investor-relations>.

The Board has constituted Audit Committee, Nomination & Remuneration Committee, Corporate Social Responsibility Committee, Stakeholders Relationship Committee, Risk Management Committee, Independent Directors (ID) Committee, Environmental, Social and Governance (ESG) Committee and Finance Committee. Each of the Committees deal with matters as mandated by the statutory regulations and play a very crucial role in the overall governance structure. All the Committees have specific terms of reference approved by the Board which outlines the composition, scope, powers & duties and responsibilities. The Chairman of the respective Committee informs the Board about the summary of the discussions held in the Committee meetings.

The minutes of the meeting of all Committees are placed before the Board for review. During the year, all recommendations of the Committees of the Board which were mandatorily required have been accepted by the Board.

(i) Meetings of the Board:

- **Frequency:** The Board meets at least once a quarter to review the quarterly results and other items of the Agenda. There are minimum four Meetings of the Board in a calendar year with a maximum gap of 120 days between two consecutive meetings. The calendar of the Board and Committee meetings are fixed in advance. Whenever necessary, additional meetings are held. In case of business exigencies or matter of urgency, resolutions are passed by circulations, as permitted by law, which are confirmed in the next Board / Committee Meeting, as the case may be.
- **Strategy Meeting:** During the year under review, an off-site Board Strategy Meeting held on March 21, 2023 at Dubai giving an opportunity to the Board to interact with senior leaders of the Company and provide strategic guidance on Company's

Corporate Governance Report (Contd.)

strategy, key business priorities, strategic risks and execution challenges for the achievement of Company's long term vision. This was attended by all the Board members.

- **Board Meeting Location:** The location of the Board / Committee Meetings is informed well in advance to all the Directors. Each Director is expected to attend the Board / Committee Meetings.
- **Notice and Agenda distributed in advance:** Our Company's Board / Committees are presented with detailed notes, along with the agenda papers which are being circulated well in advance of the Meeting. We have implemented App based e-meeting system accessible through secured iPads which has been provided to the Directors and key officials. The agenda, presentation, notes and minutes are made available to the Board and Committee members. Our Company Secretary, in consultation with the Chairman of the Board / Committees sets the Agenda for the Board / Committee Meetings. All material information is incorporated in the Agenda for facilitating meaningful and focused discussions at the Meeting. Where it is not practical to attach any document to the Agenda, the same is tabled before the Meeting with specific reference to this effect in the Agenda. In special and exceptional circumstances, additional or supplementary items on the Agenda are permitted. The Board periodically reviews compliance reports of laws applicable to our Company, prepared and placed before the Board by the Management.
- **Other Matters:** The senior management team of our Company is advised to schedule its work plans in advance, particularly with regard to matters requiring discussions / decision with the Board/ committee Members.
- **Presentations by Management:** The Board/ Committee is given presentations, wherever practicable covering finance, sales, marketing, major business segments and operations of our Company, global business environment including business opportunities, business strategy, risk management practices and operating performance of our Company before taking on record the financial results of our Company.
- **Access to employees:** The Directors are provided free access to officers and employees of our Company. Whenever any need arises, the Board/ Committee Members are at liberty to summon the

personnel whose presence and expertise would help the Board / Committee to have a full understanding of the issues being considered.

(j) Information Supplied to the Board / Committees:

Among others, information supplied to the Board / Committees includes:

- Annual operating plans of the businesses and budgets and any update thereof;
- Capital budgets and any updates thereof;
- Quarterly and half yearly results of the Company as per the format prescribed in Listing Regulations;
- Minutes of the Meetings of the Board and all other Committees of the Board;
- The information on recruitment and remuneration of senior officers just below the Board level, including the appointment or removal, if any, of Chief Financial Officer and Company Secretary;
- Status of important / material litigations etc.;
- Show cause, demand, prosecution notices and penalty notices, which are materially important;
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems;
- Any material default in financial obligations to and by the Company;
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgment or order, which may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on our Company;
- Details of any joint venture or collaboration agreement;
- Transactions that involve substantial payment towards royalty, goodwill, brand equity or intellectual property;
- Any significant development in human resources / industrial relations front, as and when it occurs;
- Sale of material nature of investments, assets which are not in the normal course of business;
- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material;

Corporate Governance Report (Contd.)

- Compliance status of any regulatory, statutory nature or listing requirements and shareholders' service, if any, and others and steps taken by company to rectify instances of non-compliances, if any.

(k) Minutes of the Meetings:

The draft minutes of the proceedings of the Meetings are circulated amongst the Members of the Board / Committees. Comments and suggestions, if any, received from the Directors are incorporated in the Minutes, in consultation with the Chairman of the Board / Committee. The Minutes are confirmed by the Members and signed by the Chairman at the next Board / Committee Meetings. All Minutes of the Committee Meetings are placed before the Board Meeting for perusal and noting.

(l) Post Meeting follow-up mechanism:

The Company has an effective post meeting follow-up review and reporting process for the decisions taken / suggestions provided by the Board and Committee(s) thereof. The important decisions taken/suggestions provided at the Board / Committee Meetings, which call for actions to be taken, are promptly initiated and wherever required, communicated to the concerned departments / divisions for their further action. The action taken report is placed at the immediately succeeding Meeting of the Board / Committee(s) for information and review by the Board / Committee(s).

5. COMMITTEES OF BOARD:

Our Company has over the years maintained the highest standards of corporate governance processes and has had the foresight to set up corporate governance practices much before their implementation was mandated through the introduction of regulatory requirements.

Our Board has constituted the following Committees to focus on specific areas and take informed decisions in the best interests of our Company within authority delegated to each of the Committees. These Committees monitor the activities falling within their terms of reference. Specific terms of reference are laid out of these Committees and reviewed annually.

During the financial year, the Board has accepted the recommendations of Committees on matters where such a recommendation is mandatorily required. There have been no instances where such recommendations have not been considered.

We have eight sub-committees of the Board as at March 31, 2023:

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders Relationship Committee
- Finance Committee
- Risk Management Committee
- Corporate Social Responsibility Committee
- Environmental, Social and Governance (ESG) Committee
- Independent Directors (ID) Committee

A. Audit Committee:

The Audit Committee acts as an interface between the Statutory and Internal Auditors, the Management and the Board of Directors. It assists the Board in fulfilling its responsibilities of monitoring financial reporting processes; reviewing our Company's established systems and processes for internal financial controls and governance and reviews our Company's statutory and internal audit processes.

The Audit Committee of the Board is constituted in compliance with the provisions of Section 177 of the Act and Regulation 18 of the Listing Regulations. More than two-third (2/3rd) of the members of the Committee, including the Chairman are Independent Directors. The Committee is governed by a Charter, which is in line with the regulatory requirements mandated by the Act and the Listing Regulations. All the members on the Audit Committee are financially literate and possess sound knowledge in finance and accounting practices. The Chairman of the Committee possesses professional qualifications in the field of Finance and Accounting.

Composition:

The Audit Committee comprises of three Independent Directors, as on March 31, 2023.

Mr. Milin Mehta	Independent Director	Chairman
Ms. Nirali Sanghi	Independent Director	Member
Dr. Archana Hingorani	Independent Director	Member

Corporate Governance Report (Contd.)

All the members of the Audit Committee are financially literate and possess thorough knowledge of the financial services industry.

Broad Terms of Reference of the Audit Committee:

The scope of the Audit Committee includes the references made under Regulation 18 read with Part C of Schedule II of Listing Regulations as well as section 177 and other applicable provisions of Act besides the other terms that may be referred by the Board of Directors. The Broad terms of reference of the Audit Committee are:

- a) Oversight of our Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- b) Recommendation for appointment, re-appointment and replacement, remuneration and terms of appointment of auditors of our Company;
- c) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- d) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - i) Matters required to be included in the Directors' responsibility statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Act;
 - ii) Changes, if any, in accounting policies and practices and reasons for the same;
 - iii) Major accounting entries involving estimates based on the exercise of judgment by management;
 - iv) Significant adjustments made in the financial statements arising out of audit findings;
 - v) Compliance with listing and other legal requirements relating to financial statements;
 - vi) Disclosure of any related party transactions;
- e) Reviewing, the quarterly financial statements with the management before submission to the Board for approval;
- f) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- g) Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- h) Approval or any subsequent modification of transactions of our Company with related parties;
- i) Scrutiny of inter-corporate loans and investments;
- j) Valuation of undertakings or assets of our Company, wherever it is necessary;
- k) Evaluation of internal financial controls and risk management systems;
- l) Monitoring the end use of funds raised through public offers and related matters, if any;
- m) Reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- n) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- o) Discussion with internal auditors of any significant findings and follow up thereon;
- vii) Qualifications / modified opinions in the draft audit report;

Corporate Governance Report (Contd.)

- p) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- q) Discussion with statutory auditors before the commencement of the audit, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- r) The Audit Committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of our Company;
- s) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- t) To establish and review the functioning of the whistle blower mechanism;
- u) Approval of appointment of the Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
- v) Related Party Transactions:
1. all related party transactions shall require prior approval of the Audit Committee.
 - i) the Audit Committee may grant omnibus approval for related party transactions proposed to be entered into by our Company subject to the following conditions, namely:
 - the criteria for granting the omnibus approval shall be specified which shall be in line with our Company's policy on related party transactions and such approval shall be based on the factors namely repetitiveness of the transactions (in past or in future) and the justification for the need of omnibus approval;
 - the Audit Committee shall satisfy itself on the need for omnibus approval for transactions of repetitive nature and that such approval is in the interest of our Company;
 - such omnibus approval shall not be made for transactions in respect of selling or disposing of the undertaking of our Company;
 2. the omnibus approval shall specify:
 - the name(s) of the related party, nature of transaction, period of transaction, maximum value of transactions that shall be entered into and the value of transactions, in aggregate, which can be allowed under the omnibus route in a year;
 - the extent and manner of disclosures to be made to the Audit Committee at the time of seeking omnibus approval;
 - the indicative base price or current contracted price and the formula for variation in the price if any;
 - such other conditions as the Audit Committee may deem fit;
- Provided that where the need for related party transaction cannot be foreseen and aforesaid details are not available, committee may grant omnibus approval for such transactions subject to their value not exceeding ₹1 Crore per transaction.
3. the Audit Committee shall review, at least on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approvals given;
 4. such omnibus approvals shall be valid for a period not exceeding one (1) financial year and shall require fresh approvals after the expiry of such financial year;
 5. however, such prior and omnibus approval shall not be required in case of the transactions entered into between the company and its wholly owned subsidiary/ subsidiaries whose accounts

Corporate Governance Report (Contd.)

- are consolidated with the company and placed before the shareholders at the general meeting for approval;
- w) Review of:
- i) management discussion and analysis of financial condition and results of operations;
 - ii) statement of significant related party transactions (as defined by the audit committee), submitted by management;
 - iii) management letters / letters of internal control weaknesses issued by the statutory auditors;
 - iv) internal audit reports relating to internal control weaknesses;
 - v) the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee;
 - vi) statement of deviations including:
 1. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI Listing Regulations;
 2. annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/
- notice in terms of Regulation 32(7) of the SEBI Listing Regulations;
- vii) The utilization of loans and/or advances from/ investment by the holding company in the subsidiary > ₹100 Crore or 10% of asset size of the subsidiary, whichever is lower, including existing loans/ advances/ investments and all other terms of reference of the committee shall remain unchanged;
 - viii) The Audit Committee shall have authority to investigate into any matter in relation to the items specified above and for this purpose shall have power to obtain professional advice from external sources and have full access to information contained in the records of our Company;
 - ix) Carrying out any other terms of reference as may be decided by the Board or specified/ provided under the CA 2013 or the SEBI Listing Regulations or by any other regulatory authority.

Meeting and Attendance:

During the period under review, the Audit Committee of the Company met Five (5) times on:

- April 27, 2022
- July 11, 2022
- October 19, 2022
- December 06, 2022
- January 11, 2023

The necessary quorum was present at the meetings. The maximum gap between two Audit Committee Meetings was not more than 120 days.

The Audit Committee was constituted on March 31, 2017 and the same was last re-constituted on October 08, 2020.

The attendance of each member of the committee at the Meeting of Committee as on March 31, 2023 is given below:

Name of the members	Designation	Non-Executive/ Executive /Independent	No. of committee meetings held	Committee meeting attended
Mr. Milin Mehta	Chairman	Independent	05	05
Dr. Archana Hingorani	Member	Independent	05	05
Ms. Nirali Sanghi	Member	Independent	05	05

Audit Committee Meetings are attended by the Chief Financial Officer of our Company and representatives of Statutory Auditors and Internal Auditors, if required. The Company Secretary acts as the Secretary of the Audit Committee.

Corporate Governance Report (Contd.)

The Chairman of the Audit Committee (Mr. Milin Mehta) was present at the last Annual General Meeting of our Company held on July 11, 2022.

During the year under review, the Committee met and discussed on various matters including financials, internal audit reports and audit report. During the period under review, the Board of Directors of the Company accepted all the recommendations of the Audit Committee.

B. Nomination and Remuneration Committee:

The Nomination and Remuneration Committee (NRC) of the Board is constituted in compliance with the requirements of Section 178 of the Act and Regulation 19 of the Listing Regulations. The NRC is governed by a Charter in line with the Act and the Listing Regulations.

The Chairperson of the Committee is an Independent Director and two-third (2/3rd) of the Members of the Committee are Independent Directors. The Chairperson of the Board is a Member of the Committee but does not chair the Committee.

Composition:

The NRC of our Company comprises of four Independent Directors, as on March 31, 2023.

Ms. Nirali Sanghi,	Independent Director	Chairperson
Dr. Archana Hingorani	Independent Director	Member
Mr. Milin Mehta	Independent Director	Member
Mr. Ravindra Garikipati	Independent Director	Member

The NRC was constituted on March 31, 2017 and the same was last reconstituted on September 03, 2020.

Scope and Functions:

The scope of activities of the NRC is as set out in Regulation 19 of Listing Regulations and as amended, read with Section 178 of the Act. The Broad terms of reference of the NRC are as follows:

The attendance of each member of the committee at the Meeting of Committee is given below:

Name of the members	Designation	Non-Executive/ Executive/ Independent	No. of committee meetings held	Committee meeting attended
Ms. Nirali Sanghi	Chairperson	Independent Director	02	02
Dr. Archana Hingorani	Member	Independent Director	02	02
Mr. Ravindra Garikipati	Member	Independent Director	02	02
Mr. Milin Mehta	Member	Independent Director	02	02

The Company Secretary of our Company acts as the Secretary to the Committee.

1. Succession planning of the Board of Directors and Senior Management Employees;
2. Identifying and selection of candidates for appointment as Directors / Independent Directors, based on certain laid down criteria;
3. Identifying potential individuals for appointment as Key Managerial Personnel (KMP) and to other Senior Management positions;
4. Formulate and review from time to time the policy for selection and appointment of Directors, Key Managerial Personnel and senior management employees and their remuneration;
5. Review the performance of the Board of Directors and Senior Management Employees based on certain criteria, as approved by the Board. In reviewing the overall remuneration of the Board of Directors and Senior Management, the Committee ensures that the remuneration is reasonable and sufficient to attract, retain and motivate the best managerial talent, it also ensures that the relationship of remuneration to performance is clear, that the performance meets the appropriate performance benchmarks and that the remuneration involves a balance between fixed and incentive pay, reflecting the short- term and long- term objectives of our Company.

NRC also administers our Company's Stock Option plans. The stock options granted by the Committee are disclosed in detail in the Directors' Report.

Meeting and Attendance:

During the year under review, NRC met Two (2) times during the last financial year on:

- April 27, 2022
- July 11, 2022

The necessary quorum was present at the meetings.

Corporate Governance Report (Contd.)

The Chairperson of the NRC was present at the last AGM of the Company held on July 11, 2022.

The Board of Directors of our Company has approved Nomination & Remuneration Policy of our Company, which sets out the guiding principles for appointment & remuneration of Directors, Key Managerial Personnel and Senior Management of our Company. The detail of Nomination & Remuneration Policy and remuneration paid to Directors is as follows:

a. Nomination and Remuneration Policy:

I. Background/Preamble:

Spaisa Capital is committed to conducting its affairs in an equitable and transparent manner by adhering to the highest standards of professionalism and good corporate governance practices. Our Company has developed this Nomination and Remuneration Policy (the "Policy") in accordance with Regulation 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "SEBI Listing Regulations"), as amended from time to time. Section 178 of the Companies Act of 2013 and any applicable rules made thereunder are also adhered to.

II. Purpose:

The purpose of this Policy is to serve as a guide for selecting qualified individuals to serve as directors on our Company's Board of Directors (the "Directors"), Key Managerial Personnel (the "KMP"), and individuals who may be appointed to senior management positions (the "SMP"), as well as to recommend their compensation and evaluate their performance.

III. Scope:

The Policy covers Directors, KMPs, SMPs and other employees of our Company.

IV. Definitions:

1. "Act" means the Companies Act, 2013 and Rules framed there under, as amended from time to time
2. "Board" means Board of Directors of the Company
3. "Key Managerial Personnel" (KMP) means:
 - Managing Director, or Chief Executive Officer or Manager;

- Whole-time Director;
- Chief Financial Officer;
- Company Secretary; and such other officer as may be prescribed.

4. "Research Analysts" shall have the same meaning as defined under the SEBI (Research Analysts) Regulation, 2014 as amended from time to time.
5. "Senior Management" means the personnel of our Company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.
6. "Other Employees" means employees other than the Directors, KMPs, SMPs and the Senior Management personnel.
7. "Remuneration" means any money, or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-Tax Act, 1961.

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

V. Nomination and Remuneration Committee (NRC):

A minimum of three non-executive directors, the majority of whom are independent, constitute the Nomination and Remuneration Committee, which the Board has appointed. An Independent Director serves as the Committee's Chair. The Chairman of the Committee is not the Chairperson of our Company. Unless the Board of Directors terminates it, the Committee's term will continue.

VI. Role of Nomination and Remuneration Committee:

1. Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors.

Corporate Governance Report (Contd.)

2. Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a Policy, relating to the remuneration for the directors, key managerial personnel, and other employees and while formulating this Policy ensure that -
 - (i) Level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run our Company successfully.
 - (ii) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
 - (iii) Remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of our Company and its goals and ensure that the Policy is disclosed in the Board's report.
3. Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every Director's performance.
4. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors; and
5. Devising a Policy on diversity of the Board of Directors.

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

1. **Appointment Criteria and Qualifications:**
 - a) A person being appointed as Director, KMP or in senior management should possess adequate qualification, expertise and experience for the position he/ she is considered for appointment.
 - b) **Independent Director:**
 - (i) **Qualifications of Independent Director:**
An Independent Director shall possess appropriate skills, experience and knowledge in one or more fields of

finance, law, management, sales, marketing, administration, research, corporate governance, operations or other disciplines related to our Company's business.

(ii) Positive attributes of Independent Directors:

An Independent Director shall be a person of integrity, who possesses relevant expertise and experience and who shall uphold ethical standards of integrity and probity; act objectively and constructively; exercise his responsibilities in a bona-fide manner in the interest of our Company; devote sufficient time and attention to his professional obligations for informed and balanced decision making; and assist our Company in implementing the best corporate governance practices.

2. Removal:

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations thereunder, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

3. Retirement:

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

VIII. Provision for remuneration of Directors, KMPs, SMPs, and other employees:
A. Directors:
1. Executive Directors (Managing Director, Manager or Whole-Time Director):

- (i) At the time of appointment or re-appointment, the Executive Directors shall be paid such remuneration as may be mutually agreed between our Company (which includes the

Corporate Governance Report (Contd.)

- N&R Committee and the Board of Directors) within the overall limits prescribed under the Companies Act, 2013.
- (ii) The remuneration shall be subject to the approval of the Members of our Company in General Meeting as per the requirement of the Companies Act, 2013.
- (iii) The remuneration of the Manager/ CEO/ Managing Director/ Whole-time Director is broadly divided into fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of our Company. In determining the remuneration (including the fixed increment and performance bonus), the Committee shall consider the following:
- the relationship of remuneration and performance benchmark;
 - balance between fixed and incentive pay reflecting short and long-term performance objectives, appropriate to the working of our Company and its goals;
 - responsibility required to be shouldered, the industry benchmarks and the current trends;
 - our Company's performance vis-à-vis the annual budget achievement and individual performance.
2. **Non-Executive Director:**
- The Non-Executive Independent Director may receive fees for attending meeting of Board or Committee thereof. Provided that the amount of such fees shall not exceed Rupees One Lakh per meeting of the Board or Committee, or such amount as may be prescribed by the Central Government from time to time.
 - A Non-Executive Director may be paid commission on an annual basis, of such sum as may be approved by the Board on the recommendation of the Committee.
 - The Committee may recommend to the Board, the payment of commission, to reinforce the principles of collective responsibility of the Board.
- In determining the quantum of commission payable to the Directors, the Committee shall make its recommendation after taking into consideration the overall performance of our Company and the onerous responsibilities required to be shouldered by the Director.
 - The total commission payable to the Directors shall not exceed prescribed limits as specified under Companies Act, 2013.
 - The commission shall be payable on prorata basis to those Directors who occupy office for part of the year.
- B. KMP and Senior Managerial Personnel:**
- The remuneration to the KMP and Senior Management Personnel will be based on following guidelines:
1. Maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of our Company.
 2. Compensation should be reasonable and sufficient to attract, retain and motivate KMP and senior management.
 3. Remuneration payable should comprise of a fixed component and a performance linked variable based on the extent of achievement of individual performance vis-a-vis overall performance of our Company.
 4. Remuneration shall be also considered in form of long term incentive plans for key employees, based on their contribution, position and length of service, in the nature of ESOP/ESPS.
- C. Research Analysts:**
- (i) The compensation of all individuals employed as Research Analyst shall be reviewed, documented and approved at least annually by the Committee.
 - (ii) While approving the compensation of the Research Analysts, the Committee shall not consider:

Corporate Governance Report (Contd.)

- a. Any specific merchant banking or investment banking or brokerage services transaction which might have happened because of the services of the Research Analyst.
- b. Any contribution made by the Research Analyst to our Company's investment banking or merchant banking or brokerage services business other than that of preparing and / or providing research reports.

D. Other Employees:

Grades for employees will be determined by their qualifications, work experience, competencies, and organizational roles and responsibilities. The job profile, skill sets, seniority, experience, and current remuneration levels for comparable jobs will all play a role in determining individual compensation within the appropriate grade.

E. Malus/Clawback:

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

employee as may be determined by NRC, the remuneration paid shall be subject to malus/ clawback arrangement. As may be determined by NRC, errors of judgment shall not be construed as breaches.

IX. Disclosure of the Policy:

Our Company shall publish this Policy on its website. Furthermore, the Policy's web link, main features and changes there in, if any shall be a part of the Board's Report.

X. Policy Review:

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

- b. **Details of Remuneration paid to Directors during FY 2022-23 and details of number of shares and convertible instruments held by Directors as on March 31, 2023 is as under:**

Name of the Director	Designation	Salary and perquisite (In ₹)	Commission (In ₹)	Sitting Fees (In ₹)	Contribution to PF and other funds	Stock options (In Quantity)	No. of equity shares held
Mr. Prakarsh Gagdani	Whole-Time Director and Chief Executive Officer	17,596,675	Nil	NA	Nil	550,000	80040
Mr. Gourav Munjal	Whole-Time Director and Chief Financial Officer	5,163,606	Nil	NA	Nil	110,000	200
Mr. Milin Mehta	Independent Director	NA	NA	405,000	NA	NA	Nil
Dr. Archana Hingorani	Independent Director	NA	NA	375,000	NA	NA	Nil
Ms. Nirali Sanghi	Independent Director	NA	NA	405,000	NA	NA	Nil
Mr. Ravindra Garikipati	Independent Director	NA	NA	240,000	NA	NA	Nil

For details related to stock options, request you to refer disclosure under Regulation 14 disseminated on the website of our Company at <https://www.5paisa.com/investor-relations>.

Corporate Governance Report (Contd.)

c. Remuneration to Non-Executive/ Independent Directors:

During the year under review, the Independent Directors and Non-Executive Directors were paid ₹30,000/- (Rupees Thirty Thousand only) towards sitting fees for attending each of the Board Meeting, Audit Committee Meeting and Independent Director's Meeting and also were paid ₹15,000/- (Rupees Fifteen Thousand only) towards attending each of the other committee meetings plus the reimbursement directly related to the actual travel and out-of-pocket expenses, if any, incurred by them. The said fees were reviewed and revised at the Board Meeting held on May 01, 2023. The fees has been revised as ₹ 75,000/- (Rupees Seventy Five Thousand only) towards sitting fees for attending each of the Board Meeting and Audit Committee Meeting and ₹ 20,000/- (Rupees Twenty Thousand only) towards attending each of the other committee meetings. Our Company has not granted any Employee Stock Options to the Independent Directors and Non-Executive Director. There are no pecuniary relationships or transaction of the Non-Executive Directors with our Company.

Our Company has obtained a Directors and Officers Liabilities Insurance policy covering all Directors and Officers of our Company in respect of any legal action that might be initiated against any Director or Officer of our Company.

C. Stakeholders Relationship Committee:

The composition of the Stakeholders Relationship Committee (SRC) of the Board is in line with the requirements of Section 178 of the Act and Regulation 20 read with Part D of Schedule II of the SEBI Listing Regulations. The SRC comprises of three (3) members out of which two-thirds (2/3rd) of the members including the Chairperson are Independent Directors. The Committee is governed by a Charter.

Composition:

The Stakeholders Relationship Committee was constituted on October 13, 2017 and the same was last reconstituted on January 11, 2018.

Composition of the committee as on March 31, 2023:

Ms. Nirali Sanghi	Independent Director	Chairperson
Dr. Archana Hingorani	Independent Director	Member
Mr. Prakarsh Gagdani	Executive Director	Member

Scope and Functions:

The Broad terms of reference of the committee are as under:

1. To consider and resolve stakeholders and investors grievances;
2. It shall consider and resolve the grievances of the security holders of our Company including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends;
3. To approve allotment of shares, debentures and other securities as per the authority conferred to the Stakeholders Relationship Committee by the Board of Directors, from time to time;
4. To approve/ authorize the officers of our Company to approve requests for transfer, transposition, deletion, consolidation, sub-division, change of name/address etc. in respect of shares, debentures and securities received by our Company;
5. To review or address the complaints received by our Company from investors, SEBI, the Stock Exchanges, Ministry of Corporate Affairs, etc. and the action taken for redressal of the same and to suggest resolution of long pending complaints;
6. To approve and ratify the action taken by the authorized officers of our Company in compliance investors for issues of duplicate/ replacement/consolidation/sub-division and other purposes for the shares, debentures and securities of our Company;
7. To monitor and expedite the status and process of dematerialization and dematerialization of shares, debentures and securities of our Company;
8. To give directions for monitoring the stock of blank stationery and for printing of stationery required by the secretarial department of our

Corporate Governance Report (Contd.)

Company, from time to time, for issuance of share certificates, debenture certificates, allotment letters, warrants, pay orders, cheques and other related stationary;

9. To review the status of unpaid dividend, interest and undelivered share certificates and measures taken by our Company to resolve or reduce them;
10. To ensure compliance of transfer of unpaid dividend and shares to IEPF on or before due date;
11. To monitor the progress of release of unpaid dividend and process of dissemination of these records in accordance with the prescribed guidelines, rules and regulations;
12. To review the results of any investigation or audit conducted by any statutory authority;
13. Review the effectiveness of the system for monitoring compliance with laws and regulations;

14. Review the mechanism of handling investor's complaints and the status of any pending complaints which remain unresolved or unattended;

15. Any significant or important matters affecting the interest of our Company.

During the year 2022-23, our Company did not receive any complaints from investors including complaints received through SEBI's scores portal which were duly resolved.

No pledge has been created over the equity shares held by the Promoters as on March 31, 2023.

A Declaration under Regulation 31(4) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 was provided by Promoter & Promoter Group to the Audit Committee and Stock Exchanges.

The Chairperson of the SRC was present at the last AGM of the Company held on July 11, 2022.

Meeting and Attendance:

The constitution of the Stakeholders Relationship Committee and details of attendance of each member of the committee at the meeting of Committee held on March 21, 2023 is given below:

Name of the members	Designation	Non-Executive/ Independent/ Executive	No. of committee meetings held	Committee meeting attended
Ms. Nirali Sanghi	Chairperson	Independent Director	01	01
Dr. Archana Hingorani	Member	Independent Director	01	01
Mr. Prakarsh Gagdani	Member	Executive Director	01	01

The name, designation and address of Compliance Officer of our Company is as under:

Name and designation:	Mrs. Namita Godbole, Company Secretary and Compliance Officer
Corporate Office Address & Registered Office:	IIFL House, Sun Infotech Park, Road No. 16V, Plot No. B - 23, Thane Industrial Estate, Wagle Estate, Thane – 400604
Contacts:	Tel: +91 22 41035000 E-mail: csteam@5paisa.com

The Company Secretary of our Company acts as Secretary of the Committee.

D. Finance Committee (Non-Mandatory Committee):
Composition:

The Finance Committee was constituted on January 11, 2018 and was last reconstituted on January 13, 2021.

The Finance Committee comprises of the following Directors as on March 31, 2023.

Mr. Prakarsh Gagdani	Whole-Time Director and Chief Executive Officer	Chairman
Mr. Gourav Munjal	Whole-Time Director and Chief Financial Officer	Member

Corporate Governance Report (Contd.)

Scope and Functions:

The broad terms of reference of the Finance Committee are as under:

- a) To borrow funds for and on behalf of our Company up to the maximum amount as determined by the Board of Directors of our Company from time to time;
- b) To invest funds of our Company from time to time in equity shares, preference shares, debt securities, bonds, whether listed or unlisted, secured or unsecured, fixed deposits, units of mutual fund, security receipts, securities, etc. taking into consideration all investment parameters up to the maximum amount as determined by the Board of Directors of our Company from time to time and also to enter into any agreements including but not limited to enter into Share Purchase Agreement, Share Subscription Agreement, Shareholders Agreements etc. as may be required to give effect to such transaction;
- c) To allot securities of our Company including equity shares, preference shares, debt securities, bonds, etc. from time to time;
- d) To borrow funds for meeting the short-term requirements of funds of our Company by issuing Commercial Paper including redemption and buyback of Commercial Paper and also to list the same as per the SEBI Regulations;
- e) To avail intraday facilities from Banks/Financial Institution upto ₹3,000 Crore (Rupees three thousand Crore);
- f) To offer assurances on behalf of Subsidiaries, in the form of guarantee, security, undertakings, letters (including without limitation, letter of comfort), deeds, declarations or any other instruments in connection with loan availed by them from Bank, Financial Institution, Non-Banking Financial Companies, other body corporates, etc. upto such limit, if applicable, as delegated / decided by the Board from time to time;
- g) Powers relating to issuance and allotment of Debentures:
 - i. To determine terms and conditions and number of debentures to be issued;
 - ii. Determining timing, nature, type, pricing and such other terms and conditions of the issue including coupon rate, minimum subscription, retention of over-subscription, if any and early redemption thereof;
 - iii. To approve and make changes to the Draft Prospectus, to approve the Final Prospectus, including any corrigendum, amendments supplements thereto, and the issue thereof;
 - iv. To approve all other matters relating to the issue and do all such acts, deeds, matters and things including execution of all such deeds, documents, instruments, applications and writings as it may, at its discretion, deem necessary and desirable for such purpose including without limitation the utilization of the issue proceeds, modify or alter any of the terms and conditions, including size of the Issue, as it may deem expedient, extension of Issue and/or early closure of the Issue;
- h) Other Routine Matters.

Meeting and Attendance:

During the year under review, the Finance Committee of the Company met 18 (Eighteen) times, as follows:

April 20, 2022, May 11, 2022, June 01, 2022, June 03, 2022, June 28, 2022, July 06, 2022, July 14, 2022, July 20, 2022, July 22, 2022, July 27, 2022, August 26, 2022, September 13, 2022, November 09, 2022, November 22, 2022, November 30, 2022, January 12, 2023, January 19, 2023, March 24, 2023.

The necessary quorum was present at the said meetings.

Corporate Governance Report (Contd.)

The details of attendance of each member of the Committee are given below:

Name of the members	Designation	Executive/ Non-Executive	No. of committee meetings held	Committee meeting attended
Mr. Prakarsh Gagdani	Chairman	Whole-Time Director & CEO	18	18
Mr. Gourav Munjal	Member	Whole-Time Director & CFO	18	18

E. Risk Management Committee:

Our Company has constituted the Risk Management Committee in line with the Listing Regulations as it is in the list of top 1,000 Listed Companies in the country based on its market capitalization for the immediately preceding financial year.

The RMC was constituted by the Board of Directors in their meeting held on April 20, 2021. The Members of the Committee are drawn from the Members of the Board. Business Risk Evaluation and Management is an on-going process within our Company. Our Company has a dynamic risk management framework to identify, monitor, mitigate and minimize risks as also to identify business opportunities.

The Committee is governed by a charter and its terms of reference comprises the following:

Composition:

The Risk Management Committee was constituted on April 20, 2021 and the Members of the Committee as on March 31, 2023 are listed below

Dr. Archana Hingorani	Independent Director	Chairperson
Mr. Gourav Munjal	Whole-time Director and Chief Financial Officer	Member
Mr. Prakarsh Gagdani	Whole-time Director and Chief Executive Officer	Member

Scope and Functions:

The broad terms of reference of the Risk Management Committee are as under:

1. Reviewing risks including cyber security and evaluating the treatment including initiating mitigation actions;
2. To monitor and review the overall risk management plan of our Company including liquidity risk;
3. To ensure there is an embedded, robust process in place throughout our Company to identify, assess, mitigate and report business risks with clear lines of ownership;
4. Laying down the risk tolerance limits and monitoring risk exposures at periodic intervals;
5. To drive and co-ordinate risk management process covering all areas of risk (including operational, strategic, financial, commercial, regulatory, reputational etc.);
6. To ensure that the business risk strategy and management processes comply with applicable regulatory requirements and corporate governance principles;
7. To ensure that the business risk management principles and processes are widely understood across our Company through adequate induction, training and awareness programs;
8. To periodically monitor and review our Company's key business risks and risk mitigation plans, and advise the Board of business risks which could materially impact our Company's delivery of its business plans, strategy, and reputation, if left untreated;
9. To monitor external developments in the business environment which may have an adverse impact on our Company's risk profile, and make recommendations, as appropriate;
10. To sponsor specialist reviews of key risk areas as appropriate;
11. To report to the Board on key risks, risk management performance and the effectiveness of internal controls on periodical basis;

Corporate Governance Report (Contd.)

- 12. To constitute operating risk management committee and delegate such powers to it as may be deemed necessary;
- 13. To formulate a detailed ERM policy this shall include:
 - a) A framework for identification of internal and external risks specifically faced by the organization, including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee;
 - b) Measures for risk mitigation include systems and processes for internal control of identified risks;
 - c) Business continuity Plan.
- 14. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- 15. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- 16. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- 17. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- 18. To review the appointment, removal and terms of remuneration of the Chief Risk Officer/ Designated Risk Officer.
- 19 Any other matter as may be mandated/referred by the Authority/Board.

Meeting and Attendance:

During the year under review, the Risk Management Committee of the Company met 2 (Two) times on:

- September 05, 2022
- February 28, 2023

The necessary quorum was present at the meetings.

The details of attendance of each member of the Committee are given below:

Name of the members	Designation	Executive/ Non-Executive	No. of committee meetings held	Committee meeting attended
Dr. Archana Hingorani	Chairperson	Independent Director	02	02
Mr. Prakarsh Gagdani	Member	Whole-Time Director & CEO	02	02
Mr. Gourav Munjal	Member	Whole-Time Director & CFO	02	02

F. Corporate Social Responsibility Committee:

Composition:

The Corporate Social Responsibility (CSR) Committee was constituted on April 20, 2021 and the Members of the Committee comprises of the following Directors as on March 31, 2023.

Mr. Milin Mehta	Independent Director	Chairman
Mr. Gourav Munjal	Whole-Time Director and Chief Financial Officer	Member
Mr. Prakarsh Gagdani	Whole-Time Director and Chief Executive Officer	Member

Scope and Functions:

The broad terms of reference of the Corporate Social Responsibility Committee are as under:

1. Formulating and recommending to the Board, the CSR Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII to the Act. The CSR policy of our Company may be accessed on our company's corporate website at <https://www.5paisa.com/investor-relations>;
2. Making recommendation on the amount of the expenditure to be incurred on CSR activities;

Corporate Governance Report (Contd.)

3. Instituting a transparent monitoring mechanism for implementation of the CSR activities to be undertaken by our Company;
4. Such other functions as may be entrusted to it by the Board of Directors, from time to time.

Meeting and Attendance:

During the year under review, the Corporate Social Responsibility Committee of the Company met 1 (Once) i.e. on March 21, 2023. The necessary quorum was present at the meeting.

The details of attendance of each member of the Committee are given below:

Name of the members	Designation	Executive/ Non-Executive	No. of committee meetings held	Committee meeting attended
Mr. Milin Mehta	Chairman	Independent Director	01	01
Mr. Prakarsh Gagdani	Member	Whole-Time Director & CEO	01	01
Mr. Gourav Munjal	Member	Whole-Time Director & CFO	01	01

G. Environmental, Social and Governance (ESG) Committee:
Composition:

The Environmental, Social and Governance (ESG) Committee was constituted on December 01, 2022 and the Members of the Committee comprises of the following as on March 31, 2023.

Ms. Nirali Sanghi	Independent Director	Chairperson
Mr. Gourav Munjal	Whole-Time Director and Chief Financial Officer	Member
Ms. Namita Godbole	Company Secretary and Compliance officer	Member

Scope and Functions:

The broad terms of reference of the ESG Committee are as under:

- a) Ensure that our company has an ESG Strategy and that it remains fit for purpose;
- b) Ensure that objectives for ESG activities are in place and that key metrics are monitored and reported on;
- c) Ensure compliance with relevant legal and regulatory requirements and industry standards and guidelines applicable to ESG matters;
- d) Ensure that ESG related policies are in place, are regularly reviewed for their relevance, effectiveness and compliance with relevant

national and international regulations, and are updated as necessary;

- e) Monitor and review current and emerging ESG trends, relevant international standards and legislative requirements; identify how these are likely to impact on the strategy, operations, and reputation of our Company; and determine whether and how these are incorporated into or reflected in our Company's ESG policies and objectives;
- f) Approve any projects developed in response to the ESG strategy;
- g) Identify, manage and mitigate or eliminate ESG risks in connection with our Company's operations and corporate activity;
- h) Approve all internal and external ESG reporting including information to be included in the annual report;
- i) Review the results of any reviews or independent audits of our Company's performance in regard to ESG matters and review any strategies and action plans developed by management in response to issues raised;
- j) Make recommendations to the Board on any of the matters listed above that the Committee considers appropriate.

Meeting and Attendance:

During the year under review, no meeting of ESG Committee was held.

Corporate Governance Report (Contd.)

H. Independent Directors (ID) Committee:

Composition:

The Independent Directors (ID) Committee was constituted on December 01, 2022 and the Members of the Committee comprised of the following as on March 31, 2023.

Mr. Ravindra Garikipati	Independent Director	Chairman
Ms. Nirali Sanghi	Independent Director	Member
Dr. Archana Hingorani	Independent Director	Member
Mr. Milin Mehta	Independent Director	Member

Scope and Functions:

The broad terms of reference of the ID Committee are as under:

- To review the performance of Non-Independent Directors, the Chairman and the Board as a whole and bring an objective view in the evaluation of Board and the management;
- To assess the Quality, Quantity and Timeliness of flow of Information between the Company's

Management and the Board that is necessary for the Board to effectively and reasonably perform their duties;

- To deliberate on improving corporate credibility and governance standards and help in managing risks;
- To bring an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointment and standards of conduct;
- Any other matter as may be deemed fit by the Independent Directors.

Meeting and Attendance:

During the year under review, the ID Committee of the Company met 2 (Two) times, on:

- December 06, 2022
- March 21, 2023

The necessary quorum was present at the meetings.

The details of attendance of each member of the Committee are given below:

Name of the members	Designation	Executive/ Non-Executive	No. of committee meetings held	Committee meeting attended
Mr. Ravindra Garikipati	Chairman	Independent Director	02	02
Ms. Nirali Sanghi	Member	Independent Director	02	02
Dr. Archana Hingorani	Member	Independent Director	02	02
Mr. Milin Mehta	Member	Independent Director	02	02

6. PERIODIC REVIEW OF COMPLIANCES OF ALL APPLICABLE LAWS:

Our Company follows a system whereby all the acts, rules and regulations applicable to our Company are identified and compliance with such acts, rules and regulations is monitored by dedicated team on a regular basis. Verification of the compliances with the major acts / regulations is carried out by suitable external auditors / lawyers / Consultants and their reports and implementation of their observations are reported to

the Board / Audit Committee. In addition, the audit and verification plan and actual status thereof are reviewed by the Board / Audit Committee periodically. A consolidated compliance certificate based on the compliance status received in respect of various laws, rules and regulations applicable to our Company is placed before the Board on regular basis and reviewed by the Board. Necessary reports are also submitted to the various regulatory authorities as per the requirements from time to time.

Corporate Governance Report (Contd.)
7. GENERAL BODY MEETINGS:

The following table gives the details of the last three Annual General Meetings of the Company:

Date of AGM	Location	Time	Whether any special resolutions passed
July 11, 2022	Video Conferencing or Other Audio-Visual Means (VC/OAVM)	11:00 AM	Yes. Four (4) Special Resolutions were passed.
June 11, 2021	Video Conferencing or Other Audio-Visual Means (VC/OAVM)	2.00 PM	Yes. Four (4) Special Resolutions were passed.
June 29, 2020	Video Conferencing or Other Audio-Visual Means (VC/OAVM)	11.00 AM	Yes. Two (2) Special Resolutions were passed.

National Company Law Tribunal Convened Meeting:

During the year under review there was no meeting held as per the order of the National Company Law Tribunal.

8. POSTAL BALLOT:

During the year under review, our Company obtained the approval from shareholders through postal ballot, the details of the same are mentioned herein below.

Details of resolution passed through postal ballot during Financial Year 2022-23 and details of the voting pattern:

A) The following resolution was passed through Postal Ballot (including electronic voting) on March 01, 2023:

a) To approve increase in ESOP Pool for grant of options and amendment in 5paisa Employees Stock Option Scheme, 2017.

Votes in favor of resolution	22801295
Votes against the resolution	409
Percentage of votes in favor of resolution	99.9982

The Board of Directors of our Company had appointed M/s. Joshi Velankar and Associates, a Practicing Company Secretaries firm, Mumbai as Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

9. SUBSIDIARY COMPANIES:

The Company has 4 wholly-owned subsidiaries. None of the subsidiaries are material unlisted subsidiaries as defined under Regulation 16 of the Listing Regulations.

The Audit Committee of our Company reviews the Consolidated Financial Statements of our Company as well as the Financial Statements of the Subsidiaries.

The Minutes of the Board Meetings, along with report of the significant transactions and arrangements of the unlisted subsidiaries of our Company, as applicable, are placed before the Board of Directors of the Company.

The Company has formulated a policy for determining Material Subsidiaries and the Policy is disclosed on our Company's corporate website at <https://www.5paisa.com/investor-relations>.

10. DISCLOSURES:

(i) **Disclosure on materially significant related party transactions that may have potential conflict with the interest of our Company at large:**

Our Company has put in place a policy for Related Party Transactions (RPT Policy) which has been approved by the Board of Directors. The Policy provides for identification of RPTs, necessary approvals by the Audit Committee / Board / Shareholders, reporting and disclosure requirements in compliance with Act and Listing Regulations. In line with the amended SEBI Listing Regulations, this Policy has been suitably amended.

All transactions executed by our Company during the financial year with related parties were on arm's length basis and in the ordinary course of business. All such Related Party Transactions were placed before the Audit Committee for approval, wherever applicable. Our Company had not entered into any material contracts or arrangements or transactions under sub-section (1) of section 188 of the Act.

During the year under review, shareholders approved the material Related Party Transactions which were considered material in accordance with Listing Regulations at the Annual General Meeting of our Company held on July 11, 2022 via Video Conferencing.

Corporate Governance Report (Contd.)

The policy on materiality of Related Party Transactions and dealing with Related Party Transactions as approved by the Board may be accessed on our Company's corporate website at <https://www.5paisa.com/investor-relations>.

You may refer to note no. 33 to the financial statement which contains related party disclosures. No materially significant related party transactions have been entered into during FY 2022-23 having potential conflict of interest.

(ii) Details of non-compliance:

No strictures / penalties were imposed on our Company by Stock Exchanges or by the Securities and Exchange Board of India or by any statutory authority on any matter related to the Securities markets during the financial year 2022-23 except as mentioned below:

1. A penalty of ₹ 10,000/- was levied on 5paisa by BSE towards delay in upload of UCC for one client.
2. A penalty of ₹ 10,000/- was levied on 5paisa by BSE towards delay in upload of UCC for one client.
3. A penalty of ₹ 12,500/- was levied on 5paisa by MCX for Adverse observations reported in Internal Audit Report submitted for the half year ended September 2021.
4. A penalty of ₹ 10,000/- was levied on 5paisa by BSE towards delay in upload of UCC for one client.
5. A penalty of ₹ 30,000/- was levied on 5paisa by BSE towards delay in upload of UCC for three clients.
6. A penalty of ₹ 1,02,000/- was levied by MCX for Adverse observations reported in Inspection conducted for the period 2020-2021.
7. A penalty of ₹ 3,00,000/- was levied for incorrect data reported towards weekly client level cash and cash equivalent balances and bank account balances inspection by NSE.
8. A penalty of ₹ 50,000/- was levied towards Non-Compliance with Code of Advertisement by BSE.
9. A penalty of ₹ 8,000/- was levied on 5paisa by BSE for Adverse observation reported in Internal Audit Report submitted for the half year ended March 2022.
10. A penalty of ₹ 5,000/- was levied for delayed submission of daily MTF reporting by NSE.
11. A penalty of ₹ 12,500/- was levied on 5paisa by MCX for Adverse Observation reported in Internal Audit Report submitted for the half year ended September 2022.
12. A penalty of ₹ 16,16,900/- was levied with respect to SEBI joint inspection conducted in July 2022 for the period April, 2021-June 2022, for the observations pertaining to Incorrect reporting of margin, Collection of inadequate margins from clients under, Non-maintenance of a separate register of securities for MTF, incorrect data submitted towards weekly monitoring of clients' funds, Incorrect data submitted in the weekly client-level cash and cash equivalent balances, Incorrect data submitted towards RBS during the course of said inspection.
13. A penalty of ₹ 23,09,000/- was levied with respect to limited purpose inspection conducted by NSE for the observations pertaining to misuse of the clients' funds to the extent of ₹ 18.72 Crore as of February 24, 2022, Incorrect data submitted for the bank account balances, Misuse of the clients' funds to the extent of ₹ 1.37 Crore, Incorrect data submitted for the bank account balances, Incorrect data submitted for weekly monitoring of clients' funds.
14. A penalty of ₹ 1,00,000/- was levied for the incorrect state city uploaded on MCX.
15. A penalty of ₹ 1,00,000/- was levied by the exchange for incorrect data towards weekly submission of holding statement as on September 30, 2021.
16. A penalty of ₹ 50,000/- was levied by NSE for Issuance of Advertisement without the prior approval of the Exchange.
17. A penalty of ₹ 75,000/- was levied by NSE for Issuance of Advertisement without the prior approval of the Exchange.

Corporate Governance Report (Contd.)

18. A penalty of ₹ 1,00,000/- was levied by NSE for Issuance of Advertisement without the prior approval of the Exchange.
19. A penalty of ₹ 1,00,000/- was levied by NSE for Issuance of Advertisement without the prior approval of the Exchange.
20. A penalty of ₹ 50,000/- was levied by NSE for Issuance of Advertisement without the prior approval of the Exchange.
21. A penalty of ₹ 50,000/- was levied by NSE for Issuance of Advertisement without the prior approval of the Exchange.
22. A penalty of ₹ 1,00,000/- was levied by NSE for Incorrect data reported towards weekly client level cash and cash equivalent balances and bank account balances as on July 01, 2022.
23. A penalty of ₹ 1,00,000/- was levied by NSE for Incorrect data reported towards weekly client level cash and cash equivalent balances and bank account balances as on July 29, 2022.
24. A penalty of ₹ 1,00,000/- was levied by NSE for Incorrect data reported towards weekly client level cash and cash equivalent balances and bank account balances from October 03, 2022 to October 30, 2022.

(iii) Whistle Blower Policy/ Vigil Mechanism:

In Compliance of the Act and Listing Regulations, our Company has adopted a Whistle Blower Policy and has established the necessary vigil mechanism for employees to report genuine concerns about unethical behavior, actual or suspected fraud or violation of our Company's code of conduct or ethics policy. The Policy also provides for adequate safeguard against victimization of Whistle Blower who avails such mechanism and provides for the access to the Chairman of Audit Committee. None of the Whistle Blowers has been denied access to the Audit Committee. The said Policy as approved by the Board may be accessed on the website of the Company i.e. <https://www.5paisa.com/investor-relations>.

(iv) Compliance with Mandatory and Non-Mandatory Provisions:

Our Company has adhered to all the mandatory requirements of Corporate Governance norms

as prescribed by Regulations 17 to 27 and Clause (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations to the extent applicable to the Company.

The status on the Compliance with the Non-mandatory recommendation in the SEBI Regulations is as under:

- The Internal Audit report is submitted every quarter before the Audit Committee and even internal Auditor is present during the Audit Committee meeting.
- Our Company follows a robust process of communicating with the shareholders which has been explained earlier in the report under "Means of Communication".

(v) Web link for policy for determining the material subsidiaries:

The policy for determining the material subsidiaries as approved by the Board may be accessed on our company's corporate website at <https://www.5paisa.com/investor-relations>.

(vi) Disclosure of accounting treatment:

There was no deviation in following the treatments prescribed in any of Indian Accounting Standards (IndAS) in the preparation of the financial statements of our Company.

(vii) The Board has accepted all the recommendations of the committees of the Board.
(viii) Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/ network entity of which the statutory auditor is a part:

Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/ network entity of which the statutory auditor is a part, are as follows:

Particulars	Amount (₹ In Million)
Audit Fees	1.37
Certification Expenses	0.18
Out of Pocket Expenses	0.01
Total	1.56

Corporate Governance Report (Contd.)

(ix) Disclosure in relation to sexual harassment of Women at Workplace (Prevention, Prohibition and Redressal):

- Number of complaints filed during the financial year – Nil
- Number of complaints disposed of during the financial year – Nil
- Number of complaints pending as on end of the financial year – Nil

(x) Prevention of Insider Trading:

Pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015 ("PIT Regulations") the Company has formulated and adopted Code of Conduct ("code") under PIT Regulations incorporating the requirements in accordance with the PIT Regulations, clarifications and circulars and the same are updated as and when required.

All Designated Persons of the Company are covered under the Code, which provides inter alia for periodical disclosures and obtaining pre-clearance for trading in the securities of your Company. Further, a structured digital database is maintained, which contains the names and other particulars as prescribed, of the persons covered under the Code. In this regards, the Company has filed the Compliance certificate with the Stock Exchanges on a quarterly basis.

The Board has also adopted a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information ("UPSI") which also includes details of your Company's policy for determination on 'legitimate purposes' as per the requirements of the PIT Regulations and is available on the website of the Company i.e. <https://www.5paisa.com/investor-relations>.

(xi) Confirmation of Independence:

The Board does hereby confirm that in its opinion, the Independent Directors fulfill the conditions specified in these regulations and are independent of the management.

(xii) Details of Unclaimed shares of the Company:

The Hon'ble National Company Law Tribunal, Mumbai bench had vide its order dated September 06, 2017 sanctioned the Scheme of Arrangement between IIFL Finance Limited (Formerly known as "IIFL Holdings Limited")

and 5paisa Capital Limited and their respective Shareholders ("the Scheme"). The Scheme with effect from October 01, 2016, *inter alia*, provided for Demerger of 5paisa digital undertaking business from IIFL Finance Limited to 5paisa Capital Limited.

Upon the Scheme coming into effect and in consideration of the transfer and vesting of the 5paisa digital Undertaking into the Company, the equity shareholders of IIFL Finance Limited whose name appeared in the Register of Members on October 18, 2017 i.e. Record Date were allotted 1 (one) equity share in 5paisa Capital Limited of ₹10/- each credited as fully paid-up for every 25 (Twenty Five) equity shares of ₹2/- each fully paid-up held by such equity shareholder in IIFL Finance Limited, on October 20, 2017. Accordingly, 9,405 unclaimed shares in IIFL Finance Limited were also allotted 376 equity shares of the Company. Also pursuant to the Rights issue, the Rights entitlement on 376 equity shares have been kept in abeyance.

(xiii) Details of unclaimed fractional shares entitlements:

Pursuant to Scheme of Arrangement with respect to demerger of 5paisa digital Undertaking of IIFL Finance Limited into 5paisa Capital Limited. Our Company allotted fresh 1,27,39,022 equity shares of ₹ 10/- each to the shareholders of IIFL Finance Limited in the ratio of 1 (One) fully paid-up New Equity Share of ₹10/- (Rupees Ten) each of Company shall be issued and allotted for every 25 (Twenty-Five) fully paid-up equity shares of ₹ 2/- (Rupees Two) each held in IIFL Finance Limited. Consequent to allotment of fresh equity shares, 12,707 equity shares arose as fractional entitlements to the fractional shareholders. Pursuant to the Scheme, the shares were deposited into the account of Mr. Prakarsh Gagdani, Whole-Time Director & Chief Executive Officer and the same were sold in the market on December 29, 2017. The amount realized thereunder was transferred to separate Bank account and were distributed to the fractional shareholder as the fractional entitlements. As on the March 31, 2023, ₹ 0.18 million is lying as the unclaimed fractional entitlements in the said bank account.

11. MEANS OF COMMUNICATION TO THE STAKEHOLDERS:

The primary source of information to the shareholders, customers, analysts and other stakeholders of our Company and to public at large is through our company's corporate website at <https://www.5paisa.com/investor-relations>. The Annual Report, quarterly results, shareholding pattern, material events, corporate

Corporate Governance Report (Contd.)

actions, copies of press releases, schedule of analysts/ investor meets amongst others, are regularly sent to Stock Exchanges and uploaded on our Company's website. Quarterly/ annual financial results are regularly submitted to the Stock Exchanges in accordance with the Listing Regulations and uploaded on our Company's website.

The Company organizes earnings call with analysts and investors on the next day of announcement of results. The audio clips and transcripts of these earning calls are uploaded on the website of the Company. The presentations made to institutional investors and financial analysts on the financial results are submitted to the stock exchanges and also uploaded on the website of the Company.

The Board of Directors has approved a policy for determining materiality of events for the purpose of making disclosure to the stock exchange and the same is available on the company's website at <https://www.5paisa.com/investor-relations>. The Chief Executive Officer, Chief Compliance Officer and the Company Secretary and the Chief Financial Officer of the Company are empowered to decide on the materiality of the information for the purpose of making disclosure to the Stock Exchanges.

All the disclosures made to the stock exchanges are also available on our company's corporate website at <https://www.5paisa.com/investor-relations>.

The quarterly and annual results of our Company are normally published in the Business Standards, Free Press Journal and Navshakti which are widely circulated. We also regularly make presentation to the analyst in their meetings held from time to time, transcripts of which are uploaded on our company's website. The schedule of analyst meets/Institutional Investors meets are also informed to the public through the Stock Exchanges.

In terms of Regulation 30 of the Listing Regulations, the Company has formulated a policy on maintaining and preserving timely and accurate records uploaded on the website of the Company. The same is available on the website the Company i.e. <https://www.5paisa.com/investor-relations>.

The Company's website contains a separate section namely "Disclosure under Regulation 46 of the LODR" under Investor Relations page at <https://www.5paisa.com/investor-relations> where stakeholders related information is available and stakeholders can access the information which is disseminated on the website of the Company pursuant to Regulation 46 of the Listing Regulations.

12. GENERAL SHAREHOLDERS INFORMATION:

1. Annual General Meeting	Thursday, August 31, 2023 via Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM")
2. Financial calendar (2022-23)	April 01, 2023 to March 31, 2024 Results for the quarter ended June 30, 2023 – within 45 days from the end of the quarter. Results for the quarter ended September 30, 2023 – within 45 days from the end of the quarter. Results for the quarter ended December 31, 2023 – within 45 days from the end of the quarter. Results for the quarter and year ended March 31, 2024 – within 60 days from the end of the quarter.
3. Book closure date	Friday, August 25, 2023 to Thursday, August 31, 2023 (both day inclusive)
4. Dividend	During the year under review, our Company had not paid any dividend. The Board of Directors does not propose any dividend at ensuing Annual General Meeting.
5. Listing of equity shares on stock exchanges at	<ol style="list-style-type: none"> National Stock Exchange of India Limited Exchange Plaza, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (E), Mumbai – 400051. BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001. The Listing Fees for the FY 2022-23 has been paid on time to the aforesaid Stock Exchanges.

Corporate Governance Report (Contd.)

6.	Stock code	National Stock Exchange of India Limited – 5PAISA BSE Limited – 540776
7.	Stock market data	Table below gives the monthly high and low quotations of shares traded at BSE Limited and the National Stock Exchange of India Limited for the financial year 2022-2023. The chart below plots the monthly closing price of 5paisa Capital Limited versus the BSE - Sensex and NSE - S&P CNX Nifty for the year ended March 31, 2023.
	Month	BSE High Low Volume
		NSE High Low Volume
	April, 2022	395.60 350.00 96,906
	May, 2022	386.85 300.00 86,546
	June, 2022	353.85 267.15 21,264
	July, 2022	306.20 265.00 69,205
	August, 2022	344.25 270.00 59,384
	September, 2022	390.00 312.20 166,712
	October, 2022	373.35 321.70 57,158
	November, 2022	339.20 299.05 50,488
	December, 2022	351.75 285.10 68,472
	January, 2023	351.85 286.95 1,06,157
	February, 2023	311.25 271.25 33,090
	March, 2023	332.85 271.35 1,29,269
8.	Demat ISIN numbers in NSDL and CDSL for equity shares	INE618L01018
9.	Registrar & Transfer Agent	Link Intime India Private Limited C-101, 247, Lal Bahadur Shastri Marg, Gandhi Nagar, Vikhroli West, Mumbai-400083. Tel: 022-49186000 Email: rnt.helpdesk@linkintime.co.in
10.	Share transfer system	Our Company's shares are compulsorily traded in dematerialized form. In case of transfers in physical form, which are lodged at the Registrar and Transfer Agent's Office, these are processed within a period of 30 days from the date of receipt. All share transfers and other share related issues are approved in the Stakeholders Relationship Committee Meeting, which is normally convened as and when required.
11.	Dematerialization of shares	As on March 31, 2023, 99.99% of the paid-up share capital of the Company was in dematerialized form. Trading in equity shares of the Company is permitted only in dematerialized form through CDSL and NSDL as per notifications issued by the Securities and Exchange Board of India.
12.	Correspondence for dematerialization, transfer of shares, non – receipt of dividend on shares and any other query relating to the shares of the Company	Link Intime India Private Limited C-101, 247, Lal Bahadur Shastri Marg, Gandhi Nagar, Vikhroli West, Mumbai- 400083. Contact Person: Mr. Jayprakash VP Tel: 8108114949/ Toll-free number : 1800 1020 878 Email id: rnt.helpdesk@linkintime.co.in
13.	Any query on Annual Report, contact at corporate office	Mrs. Namita Godbole, Company Secretary and Compliance Officer IIFL House, Sun Infotech Park, Road No. 16V, Plot No. B - 23, Thane Industrial Estate, Wagle Estate, Thane – 400604. Email: csteam@5paisa.com
14.	Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity	Our Company has outstanding unexercised ESOPs of 8,97,350 stock options as on March 31, 2023 under its ESOP plans which may be exercised by the grantees as per the vesting Period. Each option granted is convertible into one equity share of the Company. Upon exercise of options by grantees, the paid-up share capital of the Company will increase accordingly.

Corporate Governance Report (Contd.)
13. SHAREHOLDING PATTERN:

Categories of Equity Shareholders as on March 31, 2023:

Sr. No	Category	Number of equity shares held	Percentage of holding
1.	Promoters & Promoters Group	10,210,698	33.33
2.	Indian Public & others	4,210,061	13.75
3.	Corporate Bodies	8,122,720	26.51
4.	Mutual Funds/ Financial Institutions/Banks/ Foreign Institutional Investors	7,294,591	23.81
5.	NRIs/ OCBs/ Foreign Nationals	797,498	2.60
6.	NBFCs registered with RBI	NIL	NIL
Grand Total		30,635,568	100

14. DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2023:

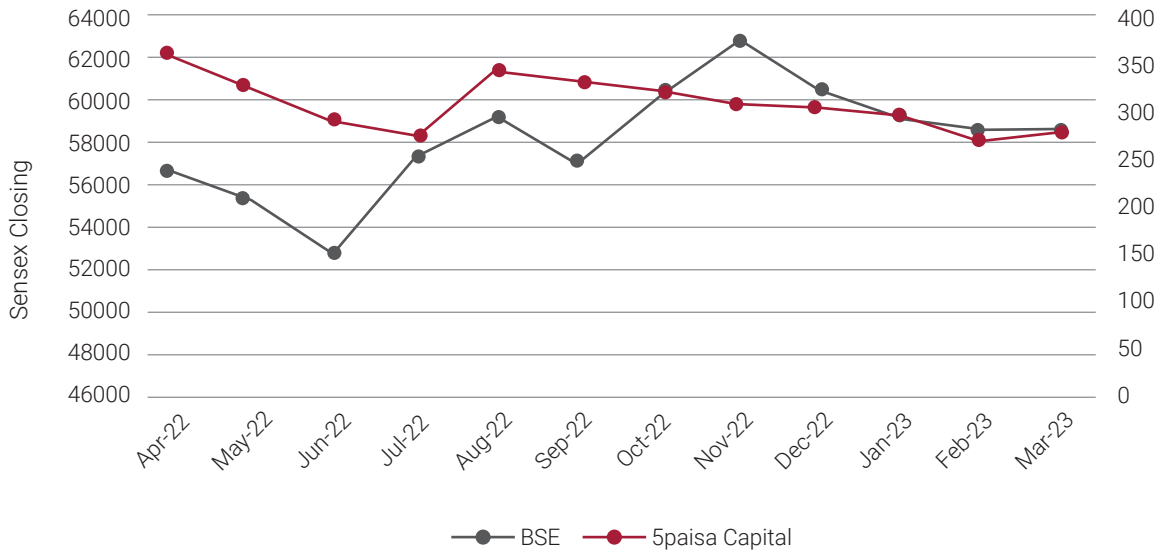
The distribution of shareholders as on March 31, 2023 is as follows:

Sr. No.	Shares Range		Number of Shareholders	% of total shareholders	total shares for the range	% of issued capital
1	1	To 500	25938	96.5135	1245871	4.0667
2	501	To 1000	470	1.7488	346615	1.1314
3	1001	To 2000	226	0.8409	330723	1.0795
4	2001	To 3000	83	0.3088	207400	0.6770
5	3001	To 4000	32	0.1191	115836	0.3781
6	4001	To 5000	27	0.1005	125036	0.4081
7	5001	To 10000	39	0.1451	289887	0.9462
8	10001 and more		60	0.2233	27974200	91.3128
Total			26875	100.00	30635568	100.00

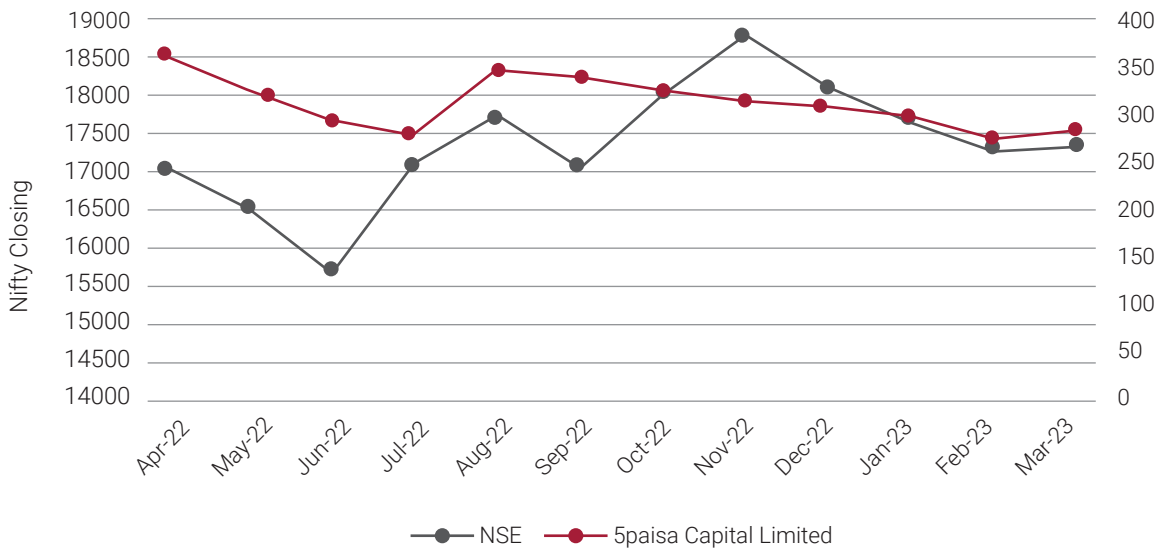
Corporate Governance Report (Contd.)

15. PERFORMANCE IN COMPARISON TO BROAD-BASED INDICES SUCH AS BSE SENSEX AND NSE S&P CNX NIFTY:

5paisa Capital Limited share price versus the BSE Sensex



5paisa Capital Limited share price versus the NSE S&P CNX Nifty



Corporate Governance Report (Contd.)**16. PROCEEDS FROM PUBLIC ISSUE, RIGHT ISSUE AND PREFERENTIAL ISSUE, AMONG OTHERS:**

The paid-up equity share capital of our Company as on March 31, 2023 was ₹30,63,55,680/- (3,06,35,568 equity shares of ₹10/- each).

17. SUBSIDIARY COMPANIES:

During the year under review, our Company had four (4) Wholly-owned subsidiaries namely 5paisa Corporate Services Limited (Formerly known as 5paisa Insurance Brokers Limited), 5paisa P2P Limited, 5paisa Trading Limited and 5paisa International Securities (IFSC) Limited.

1. 5paisa Corporate Services Limited (Formerly known as 5paisa Insurance Brokers Limited):

Since, no business was undertaken in the company from the date of incorporation and on account of it's inability to register as an Insurance Broker, the management decided to change the main object of the Company and undertake different business under the said company. Accordingly, the name of the company was changed from '5paisa Insurance Brokers Limited' to '5paisa Corporate Services Limited' with effect from November 16, 2022 pursuant to receipt of fresh Certificate of Incorporation dated November 16, 2022 issued by the Registrar of Companies, Mumbai, in order to align with the main object of the company. The Company shall commence its business shortly.

2. 5paisa P2P Limited:

During the year under review, the company had commenced its operations as NBFC Peer-to-Peer Lending Platform (NBFC-P2P).

3. 5paisa Trading Limited:

During the year under review, the Company commenced its business of offering an online trading platform to its clients to trade in Digital Gold.

4. 5paisa International Securities (IFSC) Limited:

5paisa International Securities (IFSC) Limited was incorporated as a public limited company on June 15, 2022 as a wholly owned subsidiary of 5paisa Capital Limited. 5paisa International Securities (IFSC) Limited is incorporated with the intention of carrying out business of IFSC (International Financial Service Centre) Unit and act as intermediary in IFSC. The Company is in process of registration with NSE

IFSC Limited as a trading cum clearing member and shall commence its operations after receipt of necessary clearances / licenses.

Our Company has a system of placing the minutes of the Board/ Audit Committee and statements of all the significant transactions/ developments of the unlisted subsidiary company at the Meeting of Board of Directors of Holding Company.

The policy for determining 'material' subsidiaries as approved by the Board may be accessed on our company's corporate website at <https://www.5paisa.com/investor-relations>.

18. CEO/CFO CERTIFICATE:

The Certificate required under Listing Regulations duly signed by the CEO and CFO was submitted to the Board and the same is annexed to this Report.

19. CERTIFICATE FROM COMPANY SECRETARY IN PRACTICE:

The Company has obtained the certificate from M/s. Nilesh Shah & Associates, Company Secretary in practice as required under Listing Regulations, confirming that none of the Directors on Board of our Company have been debarred or disqualified from being appointed or continuing as Directors of companies by the Board / Ministry of Corporate Affairs or any such statutory authority. The certificate would be placed at the Annual General Meeting for inspection by members.

20. CODE OF CONDUCT:

The confirmation from the Chief Executive Officer regarding compliance with the code by all the Board Members and Senior Management forms part of the Report. The Code of Conduct is displayed on our company's corporate website at <https://www.5paisa.com/investor-relations>.

For and on behalf of the Board
5paisa Capital Limited

Prakarsh Gagdani
Whole-Time Director &
Chief Executive Officer
DIN: 07376258

Gourav Munjal
Whole-Time Director &
Chief Financial Officer
DIN: 06360031

Date: May 01, 2023
Place: Thane

Corporate Governance Report (Contd.)**ANNEXURE****Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certification under SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015**

**To,
The Board of Directors
5paisa Capital Limited**

We Certify that;

- (a) We have reviewed the financial statements and the cash flow statement of 5paisa Capital Limited for the year ended March 31, 2023 and that to the best of our knowledge and belief:
 - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of Company's internal control systems pertaining to financial reporting. We have not come across any deficiencies in the design or operation of such internal controls.
- (d) We have indicated to the Auditors and the Audit Committee:
 - (i) Significant changes in internal control during the year;
 - (ii) that there are no significant changes in accounting policies during the year;
 - (iii) that there are no instances of significant fraud of which we have become aware.

For 5paisa Capital Limited

Prakarsh Gagdani
Whole-Time Director &
Chief Executive Officer
DIN: 07376258

Gourav Munjal
Whole-Time Director &
Chief Financial Officer
DIN: 06360031

Date: May 01, 2023
Place: Mumbai

Corporate Governance Report (Contd.)**DECLARATION ON COMPLIANCE WITH THE CODE OF CONDUCT**

This is to confirm that the Company has adopted a Code of Conduct for its board members and the senior management and the same is available on the Company's website. I confirm that the Company has in respect of financial year ended March 31, 2023, received from the senior management personnel of the Company and the Members of the Board, a declaration of compliance with the Code of Conduct as applicable to them.

For 5paisa Capital Limited

Prakarsh Gagdani

Whole-Time Director &
Chief Executive Officer
DIN: 07376258

Place: Mumbai

Date: May 01, 2023

Corporate Governance Report (Contd.)

AUDITOR'S CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To
The Members
5paisa Capital Limited

We have examined the compliance of conditions of Corporate Governance by, 5paisa Capital Limited (the "Company") for the year ended on March 31, 2023, as per the regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of regulation 46 and para-C, D and E of schedule V of chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations").

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of the procedures and implementations thereof, adopted by the Company for ensuring compliance of the conditions of Corporate Governance as stipulated in the said clauses. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and based on the representations made by the Management, as above, we certify that the Company has complied with, in all material respect, the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.

We further state that such Compliance is neither an assurance as to future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

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

G SANKAR
Partner
M.No. FCA 46050

Place: Mumbai
Date: May 01, 2023

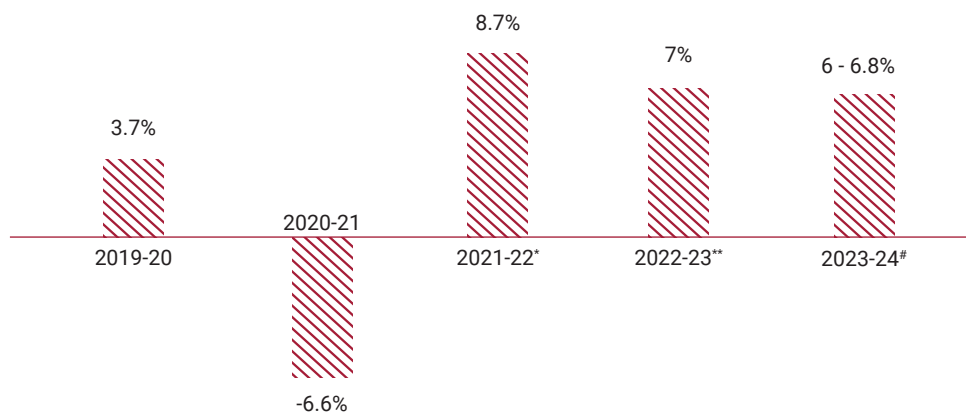
Management Discussion and Analysis

INDIAN ECONOMY OVERVIEW

India was among the fastest-growing major economies in CY 2022 according to the International Monetary Fund (IMF). It has overtaken the UK to become the world's fifth-largest economy with a GDP of \$3.53 Trillion in CY2022 and is now behind only the US, China, Japan and Germany. The Indian economy has witnessed strong rebound in economic activity post the pandemic, a large part of which has been driven by increased private sector consumption and a higher government focus on infrastructure development.

Despite global challenges and tighter domestic monetary policy, India's growth momentum remained steady. Thus, it showcased the underlying strength of the economy to recover and revitalize growth drivers.

Indian Economy Growth (Constant Prices)



Source: Economic Survey Summary – January 31, 2023; *Provisional Estimates; ** 1st Advance Estimates; #Projected

The Economic Survey – 2023 highlighted that India's economic growth in FY 2022-23 has been principally powered by private consumption and capital formation. These economic drivers have helped generate employment, resulting in a decrease in the urban unemployment rate and a faster net registration in Employee Provident Fund. The rise in consumer sentiments, coupled with the fact that the vaccination drive instilled confidence, may prolong the rebound in consumption. The robust recovery in the service industry is also visible as people have been spending on contact-based services, such as restaurants, hotels, shopping malls, and cinemas, as well as the return of migrant workers to cities to work in construction sites. The Economic Survey summarized the upside to India's growth outlook as arising from (i) limited health and economic fallouts for the rest of the world from the latest surge in COVID-19 infections in China and, therefore, continued normalization of supply chains; (ii) inflationary impulses from the reopening of China's economy turning out to be neither significant nor persistent; (iii) recessionary tendencies in major Advanced Economies (AEs) triggering a cessation of monetary tightening and a return of capital flows to India amidst a stable domestic inflation rate below 6%; and lastly (iv) an improvement in sentiment which provides further impetus to private sector investment.

Key policy announcements of Union Budget 2022-23

Budget 2022-23 was in continuation of the blueprint drawn for government's vision for the next 25 years - the Amrit Kaal.

The journey during Amrit Kaal envisions a technology and knowledge-driven society with strong public finances and a robust financial sector.

The Finance Minister identified 7 priorities – Saptarishi, to fulfill the priorities of providing ample opportunities, impetus for growth & job creation and strengthening macro stability. These priorities are Inclusive Development, Reaching the Last Mile, Infrastructure and Investment, Unleashing the Potential, Green Growth, Youth Power and Financial Sector.

The highlight of the Budget 2023 included:

- \$ 170 Billion of overall capex (₹ 10 Lakh Crore on infrastructure, ₹ 2.4 Lakh Crore on Railway capex and ₹ 1.3 Lakh Crore on 50-year interest-free loan for states capex) while maintaining the fiscal glide path to 4.5% of GDP by FY 2025-26.
- Peak personal tax down to 39%, lower tax incidence to push for higher disposable income.
- A number of measures to infuse liquidity in the MSME sector including enhanced turnover limits to ₹ 3 Crore from ₹ 2 Crore for presumptive taxation; recognition of expenditure on payment (to MSMEs) from accrual accounting to cash basis; revamped Credit Guarantee Scheme with infusion of ₹ 9,000 Crore in the corpus

Management Discussion and Analysis (Contd.)

which will enable additional collateral-free guaranteed credit of ₹ 2 Lakh Crore with a reduced credit cost by 1%.

- Enhancing agricultural credit by 11.1% to ₹ 20 Lakh Crore with a special focus on dairy, fisheries & animal husbandry with an additional sub scheme - Matsya Sampada of ₹ 6,000 Crore focused on expanding the market for the fisheries in the value chain.
- Green energy promotion and multiple programs for green growth, with a long-term goal of achieving net zero carbon emissions by 2070.
- Multiple initiatives across sectors to boost economic growth including:
 - Vehicle Scrappage Policy
 - PM Awas Yojana outlay enhanced by 66% to over ₹ 79,000 Crore
 - ₹ 75,000 Crore investments (₹ 15,000 Crore from private sources) lined up for 100 critical transport infrastructure projects, for last and first mile connectivity for ports, coal, steel, fertilizer, and foodgrain sectors
 - 50 destinations to promote tourism
 - 50 additional airports, heliports, water aerodromes and advance landing grounds will be revived for improving regional air connectivity
 - Unity Malls in state capitals or prominent tourism center or financial capital for promotion of ODOP (One district, one product)
 - 100 5G labs in engineering institutions for app development
 - 3 Centers of Excellence for “Make AI in India and Make AI work for India”
 - Review of custom duty on Lab Grown Diamonds (LGDs)
 - Fiscal support for digital payments public infrastructure
 - Setting up 157 nursing colleges co-located with 157 medical institutions
 - Urban Infrastructure Development Fund (UIDF) to create urban infrastructure in Tier 2 and Tier 3 cities. A corpus of ₹ 10,000 Crore pa has been set aside
 - Energy-efficient & low cost coastal shipping on PPP mode with viability gap funding to be promoted

Budget 2023 builds on the foundation laid in the previous Budget, and the blueprint drawn for India@100. It envisions

a prosperous and inclusive India, in which the fruits of development reach all regions and citizens, especially our youth, women, farmers, OBCs, Scheduled Castes and Scheduled Tribes.

Economic Outlook

The World Bank, in its India Development Update – April 2023 noted that despite significant challenges remain in the global environment, India is one of the fastest growing economies in the world. It projects that India's growth continues to be resilient despite some signs of moderation in growth. It expects the economy to grow at a robust 6.3% in FY 2023-24 on the strength of strong investment activity bolstered by the government's capex push and buoyant private consumption, particularly among higher income earners.

The Economic Survey expresses optimism that the Indian economy has made significant progress after being impacted by the pandemic, and has achieved full recovery in FY 2021-22 ahead of many other nations, positioning itself to return to pre-pandemic growth in FY 2022-23. However, the current year has presented a new challenge of controlling inflation that has been worsened by the European conflict.

Despite measures taken by the government and RBI, and the easing of global commodity prices, retail inflation was finally brought below the RBI upper tolerance target in November 2022. The Survey cautions that although the rupee is performing better than most other currencies, the challenge of depreciation remains, with the possibility of further policy rate increases by the US Fed. The current account deficit (CAD) may continue to widen due to elevated global commodity prices and the strong growth momentum of the Indian economy. Furthermore, the loss of export stimulus is also a possibility, given the shrinking global market size resulting from slowing world growth and trade in the second half of the current year.

FINANCIAL SERVICES INDUSTRY

The financial services industry in India has been rapidly growing in recent years, with a focus on expanding access to financial services and products for the country's large population. The industry comprises various segments such as banking, insurance, mutual funds, capital markets, and non-banking financial companies (NBFCs).

According to a report by the Department of Foreign Affairs and Trade, titled 'An India Economic Strategy to 2035', India's financial services sector typifies the progress and opportunity of its economy. It projects that the sector will grow rapidly out to 2035, driven by rising incomes, heightened government focus on financial inclusion and digital adoption – India's digital payments could pass \$1 trillion by 2030.

Management Discussion and Analysis (Contd.)

Although the industry's growth potential is immense, given the country's large population and increasing financial literacy, challenges such as financial inclusion and regulatory compliance remain, and addressing them will be crucial to sustaining the industry's growth trajectory.

India's financial sector has been expanding rapidly in recent times, with new entities entering the market and an increasing range of offerings with broader geographic reach. The financial services industry now includes new-age fintech start-ups and payment banks, in addition to conventional entities such as commercial banks, insurance companies, non-banking financial companies, co-operatives, pension funds, mutual funds, and other smaller financial entities. This growth has been supported by technology, policy, and regulatory facilitation, resulting in India's financial sector being characterized as one of the fastest-growing sectors in the economy, with increased private sector activity and an explosion of foreign banks, insurance companies, mutual funds, venture capital, and investment institutions.

The government, RBI, SEBI, and other regulators have taken various initiatives to ensure that the Indian financial sector evolves into a strong, transparent, and resilient system that meets the financial needs of individuals and enterprises across the country. Competition has also played a role in the sector's development, with the introduction of new instruments, products, and players forcing existing players to upgrade their product offerings and distribution channels. Financial intermediaries are also moving towards internationally acceptable norms, which are driving the development and modernization of the financial sector.

The pandemic has further pushed all segments of the financial services industry to innovate and adopt technology in products, services, processes, and operations to better connect with customers. The resulting digital transformation has allowed every Indian with a smartphone and internet connectivity to access a range of products and services digitally, including loan applications, e-KYC completion, and bank account openings.

Moving forward, the Indian financial services industry will be driven by growing demand due to rising incomes and overall economic growth, innovation and greater customization in products and services, policy support that facilitates greater efficiency and transparency in every segment, and greater financial inclusion of individuals and enterprises that were previously outside the formal financial sector.

USE OF DIGITAL TECHNOLOGY IN THE FINANCE INDUSTRY

A significant development in the Indian financial services industry has been the increase in digital payments and banking. The adoption of digital financial services has been driven by

the government's push towards a cashless economy and the growth of e-commerce. Digital payment platforms such as Paytm, PhonePe, and Google Pay have gained significant traction, with Millions of users across the country.

According to a report by National Investment Promotion and Facilitation Agency, India has the highest fintech adoption rate globally of 87% which is significantly higher than the global average rate of 64%. Currently there are 2,000+ DPIIT-recognized Financial Technology (fintech) startups in India with this number growing fast.

The Indian fintech industry ecosystem comprises a wide range of sub-segments, including Payments, Lending, Wealth Technology (Wealth Tech), Personal Finance Management, Insurance Technology (InsurTech), Regulation Technology (RecTech), etc. Companies in these sectors have been attracting capital and the Indian fintech market has received \$29 Billion in funding across 2,084 deals to date (January 2017-July 2022), gaining 14% share of the global funding and ranked #2 on the deal volume. As of July 2022, India has 23 fintech companies, which have gained 'Unicorn Status' with a valuation of over \$1 Billion. As of September 2022, India's Unified Payments Interface (UPI) has seen participation of 358 banks and has recorded ~6.8 Billion transactions worth over \$135 Billion. (Source: Invest India NIPFA)

The growth and expansion of the fintech ecosystem in India is being aided by a number of factors, including the growing availability of smartphones, increased internet access, and high-speed connectivity. Through specialized software and algorithms, fintech companies have been enabling the financial sector to manage their operations, processes and customer interfaces. More importantly, they have addressed critical structural issues afflicting Indian financial services to enable increased outreach, improved customer experiences, reduced operational friction and greater adoption and usage of the digital channels.

As the sector evolves, it is seeing big data and automation being superseded by AI and ML. Blockchain technology has the potential to bring more transparency to existing financial systems, as well as make transactions more secure and efficient.

OVERVIEW OF CAPITAL MARKETS

During FY 2022-23, global economic events such as high inflation, geopolitical turbulence, volatility in asset prices, uncertainty in market cycles resulted in turbulence in global capital markets. Domestically, the capital markets were impacted by the global headwinds as well as tight monetary policies domestically, accompanied by steep inflation, particularly in commodity prices.

Management Discussion and Analysis (Contd.)

These uncertainties were reflected in severe bouts of fund withdrawal by FIIs and FPI in the Indian too. However, domestic retail investor participation helped to absorb the shocks and culminated in India outperforming global markets.

SEBI, the market regulator, initiated various reforms, including pledge - re-pledge to ensure security of client accounts, upfront margin requirements for all trades, peak margin system to avoid over-leveraging, and segregation of client funds and securities. All these policy changes were well accepted by the market, making it stronger and more sustainable.

Outlook

At present, with its levels of digitization and use of technology, the Indian capital market is considered to be one of the most advanced. It has also witnessed considerable growth as is reflected in the participation by new-age investors, growing demat accounts and SIPs. A report by Morgan Stanley projects that the next decade belongs to India’s capital market, which has the potential to reach a \$10 Trillion market cap by end of the decade.

STOCK BROKING SECTOR

In India, brokerage firms can be categorized based on the type of services they provide, the parent company that owns them, and the extent of their diversification. There are two main types of brokerage firms in India: Full-Service Brokerage firms and Discount Brokerage houses. In addition, there is a third category of hybrid broking houses.

Full-Service Brokerage firms offer a range of services such as online and offline trading, demat accounts, investment advise, research reports, personalized services through a relationship

manager, portfolio management services, insurance, and other customized services. Discount brokerage houses, on the other hand, offer low and fixed brokerage fees regardless of the size of the order and provide such services through online platforms.

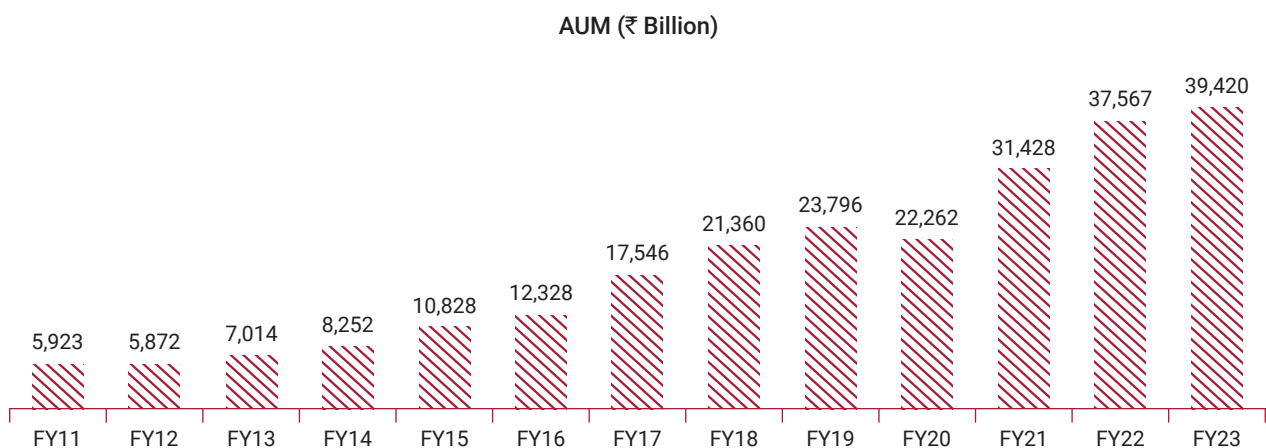
Despite some dips due to events that threatened economic growth, the Indian stock market has been mostly buoyant over the past two-three years. The “Financial Brokerage Market in India 2023” report on Research and Markets recounted that the brokerage industry generated a revenue of ₹ 382 Billion in FY 2022-23, expanding at a compound annual growth rate (CAGR) of ~13.73% from FY 2018-19 to FY 2022-23. (Source: ResearchAndMarkets)

It further stated that the brokerage industry in India is transitioning to a fee-based model, from the earlier transaction-based one. With this shift, brokers are now offering new services, including investment and wealth management advisory.

There is also an increased focus on fund-based activities, such as margin funding. This is helping broker firms generate sustainable earnings. They are also expanding the range of products and services to strengthen client relationships.

MUTUAL FUND INDUSTRY

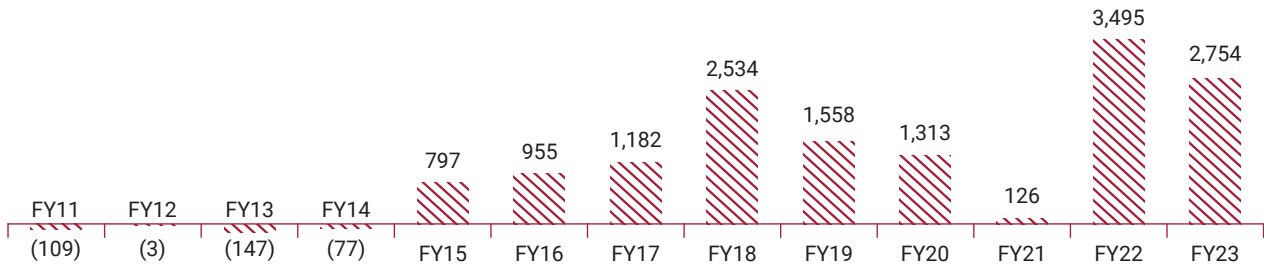
Investments in the mutual fund industry have been growing steadily over the past decade. Since the onset of the COVID-19 pandemic, there has been a renewed interest in mutual funds. The AUM increased from a pre-pandemic level of ₹ 23,796 Billion in FY 2018-19 to ₹ 39,420 Billion in FY 2022-23, after dipping marginally to ₹ 22,262 Billion in FY 2019-20.



Management Discussion and Analysis (Contd.)

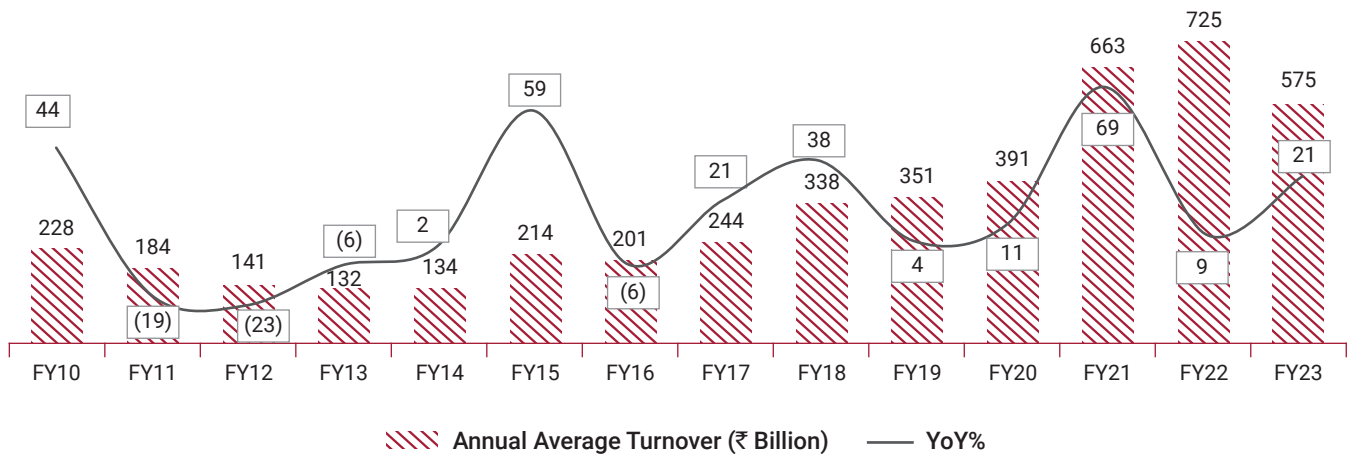
The net mutual fund equity collections, however, faced a sharp decline in FY 2022-23 to ₹ 2,754 Billion from a decadal peak ₹ 3,495 Billion in the previous year, owing to equity market volatility triggered by global uncertainty and rising interest rates. However, it still remained higher than the net mutual fund equity collections for the rest of the decade, indicating that the interest in equity mutual funds is still high.

Net Mutual Fund Equity Collections (₹ Billion)



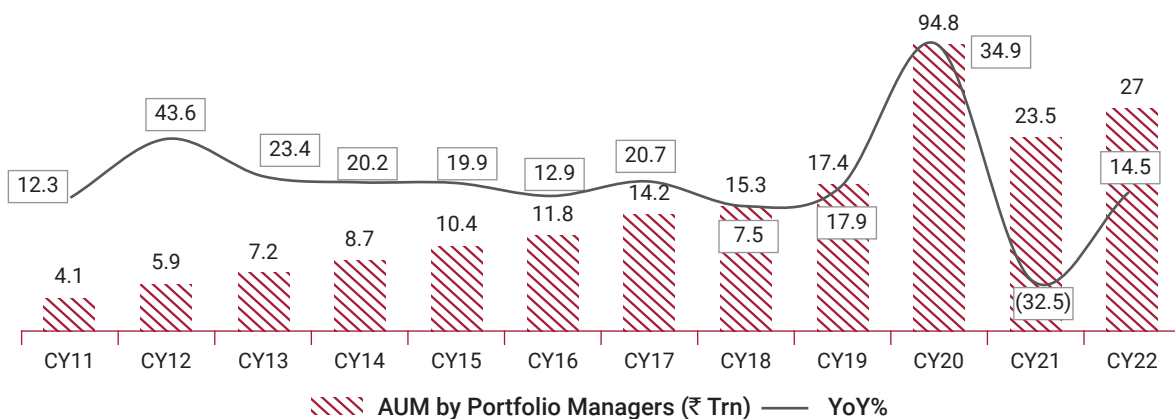
The annual average cash market turnover also declined to ₹ 575 Billion in FY 2022-23 after peaking at ₹ 725 Billion in FY 2021-22 due to volatile markets, marking a decline of 21% over the previous year.

Annual Average Cash Market Turnover



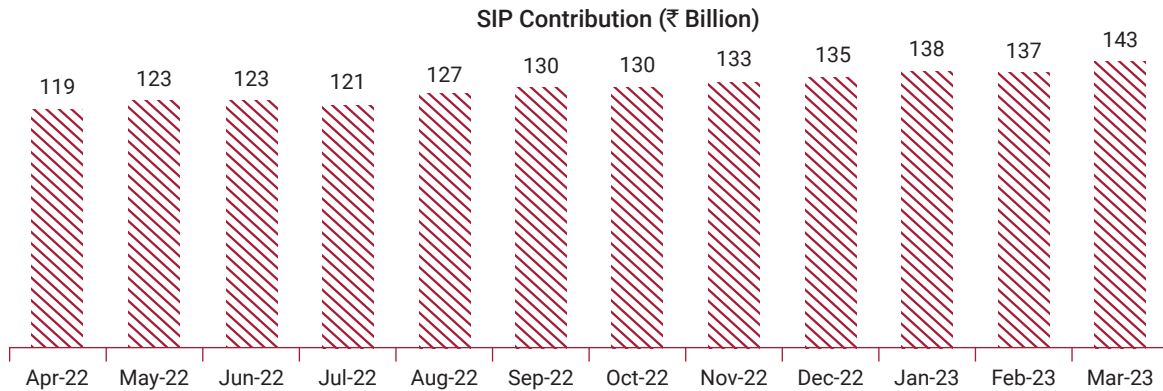
The AUM by Portfolio Managers, however, climbed to ₹ 27 Trillion during calendar year 2022 (CY 2022) after dipping to ₹ 23.5 Trillion in CY 2021, marking an increase of 14.5%. In absolute terms, however, it showed a decrease over CY 2020 levels, which could be considered a statistical outlier.

AUM by Portfolio Managers



Management Discussion and Analysis (Contd.)

The SIP contribution increased by 15.8% YoY from ₹ 123 Billion in March FY 2021-22 to ₹ 143 Billion in March FY 2022-23, while the total number of SIP accounts grew from 52.8 Million in March FY 2021-22 to 63.5 Million in March FY 2022-23. The average SIP size, however, fell marginally to ₹ 2,245 in March FY 2022-23 from ₹ 2,336 in March FY 2021-22.



DISCOUNT BROKERAGE INDUSTRY

According to a report by CLSA, the market share of discount brokers in India has grown fivefold in five financial years, with more than half of the National Stock Exchange’s (NSE’s) active client trading coming through these entities. It also pointed out that for the first 11 months of 2022-23, discount brokers held sway over 57% of active clients, up from 11% in 2017-18. Further, the number of active clients (those who have traded at least once in 12 months) on the NSE with discount brokers has grown from just 1 Million to 19 Million during this period.

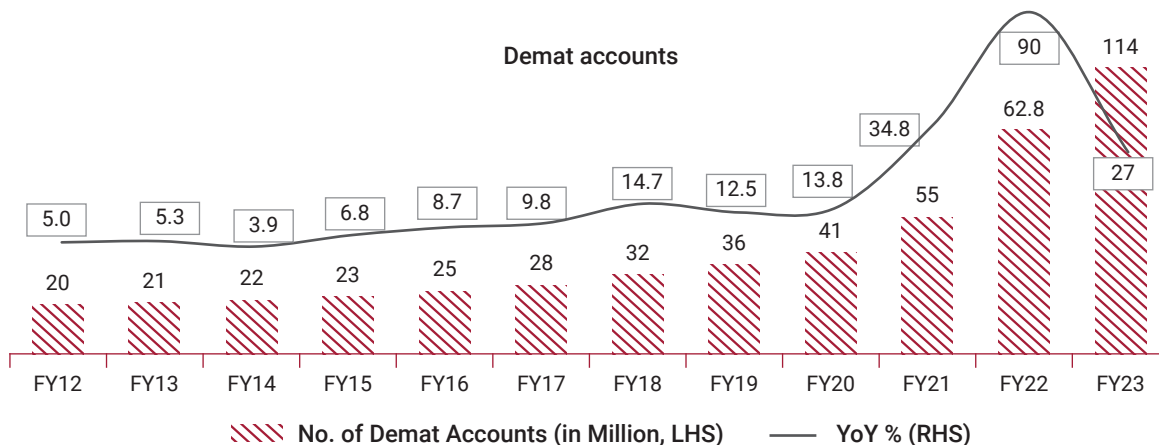
The rapid growth in the discount broking space has made discount brokers systemically important in the market. The report credited discount brokers with the widening of retail investor participation in India, particularly from tier II and other non-metro, non-tier I locations.

Looking ahead, although there is immense scope for the market participation to expand as the propensity to invest improves, the fight for market share in the broking industry is expected to get more intense in the near term, particularly in the retail segment and discount brokers are likely to have an advantage.

GOING FORWARD

The participation in capital markets in India is expected to rise as per capita incomes continue to increase and investors become more aware of investment opportunities. In particular, younger, independent, and cost-conscious investors and traders are turning to the services of discount brokers. This new breed of stock brokers has gained popularity due to their technological expertise, and they are now outpacing traditional full-service brokers, who were once preferred by investors.

With the growing penetration of the internet and the increasing use of smartphones, investors from all over the country can now directly participate in the stock market or invest through mutual funds using the platforms of discount brokers, making the process faster, simpler, and more convenient. Discount brokers offer low brokerage fees, efficient technology integration, and a seamless account opening process with automated integration of processes, making them well-positioned to benefit from the growing trend of capital market investment in the country.



Management Discussion and Analysis (Contd.)

In FY 2022-23, the number of demat accounts rose to 114 Million from 90 Million in FY 2021-22. Since the pandemic began, there has been a steep rise in the year-on-year growth rate of demat account opening, suggesting a surge in retail participation in the stock market.

Opportunities	Threats
<ul style="list-style-type: none"> • More digitally-dependent lifestyles • Ability to open demat and trading accounts online • Continued preference for online investment platforms • Faster and more seamless trading and investment processes • Improved connectivity and increased smartphone usage, even in smaller towns and villages • Growing investor awareness and financial literacy • Shift to work-from-home • Large community of financially independent, cost-conscious millennials 	<ul style="list-style-type: none"> • New risks and challenges of digitization • Susceptibility to cyber threats and data breaches • Regulatory changes which have a significant and adverse impact on discount brokers such as sudden increases in operating costs and/or operational difficulties • Traditional full-service brokers embracing digital options and adopting pricing strategies to remain competitive • Unexpected external events or crises in the face of lack of preparedness and absence of Business Continuity plans

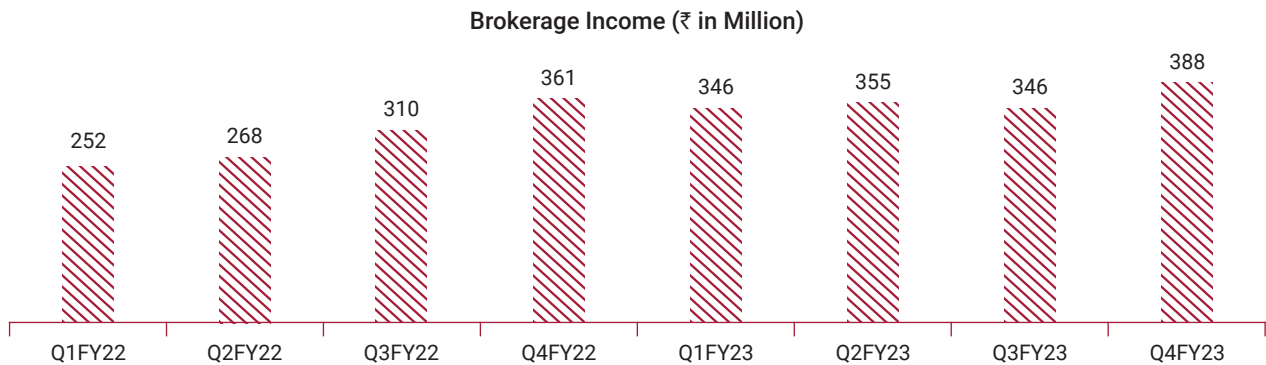
COMPANY OVERVIEW

5paisa Capital Limited (hereafter referred to as our Company) is a technology-driven financial service company having mainly an online presence. Incorporated in 2007, it provides financial products through online platforms and mobile applications. Our Company is registered with SEBI as a stock broker, depository participant and research analyst, and with AMFI as a mutual fund distributor. Its customer base mainly comprises retail investors, high-volume traders who actively deal in securities market and seek DIY (Do-it-Yourself) services at an affordable cost. Our Company's simplified tech-driven platform, customer-friendly mobile applications, artificial intelligence powered Robo Advisory platform, and paperless account opening platform have helped it become India's fastest growing online broker.

Product Offerings

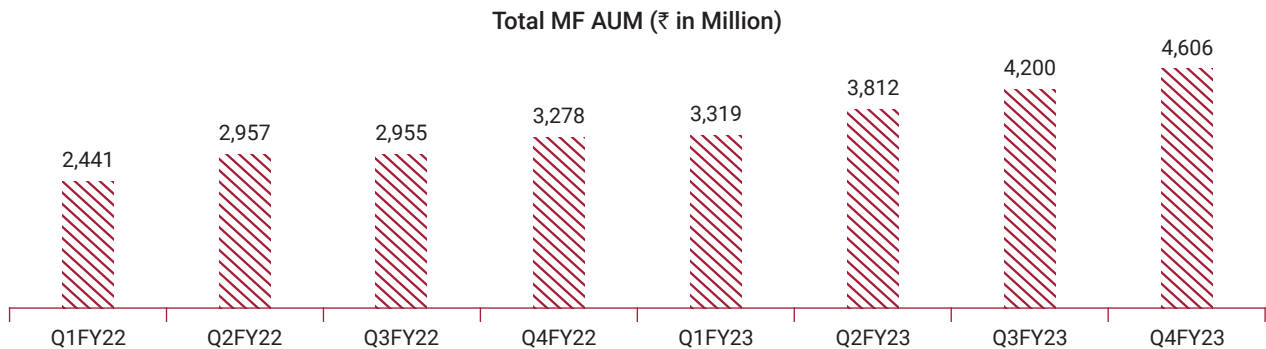
Broking	Both Cash & Derivative segments	STOCK SIP				
Mutual Funds	Direct Funds	SIP	Robo Advisory			
Wealth Management						
Research Products	Swing Trader	Smart Investor	Smallcase	Sensibull	Screeners	Portfolio Analyzer
Insurance	Health & Term					
Algo Trading	Open API					
Commodities						
Learning Platform	Finschool					
Community	Stocky5					

Management Discussion and Analysis (Contd.)



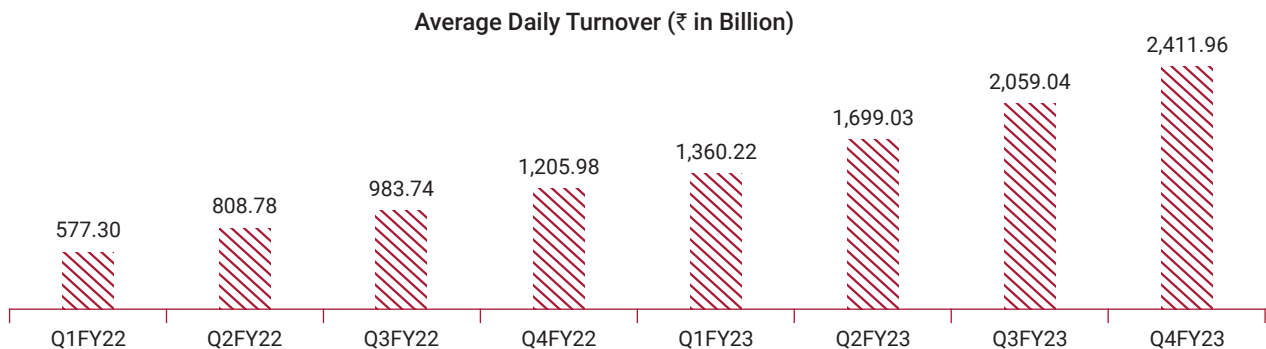
FINANCIAL PERFORMANCE

Revenues have seen strong and sustained growth of 14% y-o-y to ₹ 3,394 Million in FY 2022-23. Total Comprehensive Income (TCI) stood at ₹ 433 Million for the year, up 212% y-o-y. The Company continues with rapid and consistent growth. The retail market share was 2.44% for cash and 3.00% for FnO for Q4 FY 2022-23. The 5paisa Mobile app had about 15.18 Million downloads till March 31, 2023 with a 4.3 Star rating on Play Store. Our Company on-boarded more than 0.75 Million new clients in FY 2022-23, taking the total number of registered customers to 3.5 Million and 83% were organic clients from Tier II/III cities. The quarterly brokerage stood at ₹ 388 Million. This is an increase of 12% q-o-q.



OPERATIONAL PERFORMANCE

The AUM book registered a growth of 1.41 times to ₹ 4,606 Million in FY 2022-23. It registered a growth of 10% q-o-q and 41% y-o-y.



Average daily turnover of our Company was at ₹ 2,411.96 Billion, up by 17% q-o-q, whereas the exchange total turnover was 31.6% for the quarter ended March 2023.

Management Discussion and Analysis (Contd.)

Table of Key Ratios

Key Ratios	FY 2022-23	FY 2021-22
Debt/Equity Ratio	0.36	0.74
Return on Net Worth	10.30%	5.50%
Interest Coverage Ratio	4.09	2.11
Net Profit Ratio	13%	5%
Return on Capital Employed	9.80%	6.90%

CUSTOMER ACQUISITION

Customer acquisition has increased by 27% in the current year taking the number of total customers to 3.49 Million. Clients from Tier 2 and Tier 3 cities increased 34% over the previous year.

TECHNOLOGY UPDATE

At 5paisa, Information Technology (IT) is at the core of our strategy for business growth. We have a robust IT infrastructure setup, which forms the backbone of our organization and enables us to manage business operations and improve our overall productivity and efficiency, while providing seamless and world-class experiences to our customers. Our current information systems and adequate controls also enable to manage our nationwide operations efficiently, market effectively to our target customers, and effectively monitor and control risks.

The business applications we use, including the trading app and back-office app, are designed, developed and implemented to meet our business and regulatory requirements, around the clock, and are being used by all customers across India. We have also built scalability into our entire IT setup. As the application workloads are in high availability with Active-Active setup at the DR Site and have enough resources and storage capacity in the backend, we are able to meet urgent business demands.

Further, our IT Information Security and processes are aligned with SEBI, ISO 27001, ITIL and industry standard security solutions are implemented to control security and cyber risks. Here are some of the principal initiatives that we follow towards this end:

- As part of the operational risk management framework to manage risk to systems, networks and databases, from cyber-attacks and threats, we have formulated a comprehensive Cyber Security and Cyber Resilience policy in accordance with the SEBI circular. As per the policy, a system audit is undertaken by recognized auditors of the exchange / depositories on a periodical basis and their reports, along with necessary action taken reports, are reviewed by our audit committee.

- Our management periodically reviews various technology concerns and risks, such as protection of sensitive customer data, identity theft, cybercrimes, data leakage, business continuity, access controls, etc.
- We have processes, systems and tools for ensuring vigilant monitoring, audit logging and suspicious activity reporting. We also have an in-depth approach adopted to safeguard information at every layer.
- We have implemented tools to mitigate various security risks, including privileged identity management to control privilege access, advanced malware detection and protection, end-point encryption, mobile device management, network firewall to protect from cyber-attacks, web application firewalls to protect our systems from hacking, web-secure remote access from non-office networks, brand protection from abuse, dark web monitoring to proctor the organization information and customer data and secured internet access.
- We have obtained cyber insurance cover to protect against financial losses.
- We have successfully completed the ISO 27001:2013 annual re-certification in January 2023.
- We have a robust BCP framework in place and have implemented our IT DR Site at an alternate location. This will be used as Active-Active Setup.
- We have also put a robust security incident response in place.
- We have set up a new state-of-the-art Data Center.
- We have initiated the adoption of PAAS services along with deployment Automation in Cloud along with Implementation of Dockers and Containers for Optimum utilization of resources.
- We adopted Robotic Process Automation – Automation of Manual process using RPA platform to minimize\eliminate Manual intervention.

Management Discussion and Analysis (Contd.)

- Web Application Firewall (WAF) – Web Application Firewall deployment for all Internet-facing Applications has been instituted, making the application safer and more protected from Hackers / Malwares.
- We implemented Active-Active Setup to distribute the load of customers to two different setups. Now, in case of failure, at least 50% of customers will still be able to access the system.
- Code of Conduct Policy for Sales Activity to adhere to the sales related process to deliver best customer experience without any lapse in the sales process.
- Policy Regarding Sales Call Quality & Evaluation to monitor the sales team for adhering the SOPs.
- Mentor-Buddy Program to support new hire while they get acquainted with their roles, responsibilities and the workplace culture.

We have also implemented a few automated processes in the system:

- Risk process by uploading the span file and its margin calculation.
- Equity SIP Process: Earlier, the process was manual through click of a button, now we have automated the process for the same.

Towards facilitating our clients, we introduced new features:

- Buy Back: Exchange provided feature which we have integrated into our Trading system. Customers can now place an order from the front end.
- Market Depth: Earlier, we were showing only 5, we have now increased it to 20.
- Valid till triggered (VTT) for NSE FO, auto trigger the order based on the customers input (limit price).

HUMAN RESOURCE

At 5paisa, we have well defined policies to maintain effective human resources in the organization. These include

- Reward & Recognition Policy to encourage our employees to deliver at their best.
- Statutory Compliance & Regulations for full time employees & contractual employees.
- Equal Opportunity Policy to give fair opportunities to all in the organization.
- Workplace Health & Safety Policy to maintain the healthy & safe workplace environment.
- Hybrid Working Policy to promote work-life balance and increase the productivity.
- Business Continuity Management Policy.
- Performance Improvement Plan Policy to give constant feedback on performance and a fair chance to improve the performance along with guidance of IRAs and further training if required.

Attracting and retaining talent

Attracting the right talent is crucial for the success of any organization, and 5paisa adopts several strategies to ensure that we attract top-quality candidates. One of the key approaches is building a strong employer branding through an active social media presence. By leveraging social media platforms, our Company reaches a wider audience and effectively promotes its work culture and transparency in dealing. The HR team works diligently to increase employer branding, creating a compelling image that appeals to prospective candidates and showcases the organization's values and opportunities.

Additionally, 5paisa understands the importance of offering competitive salary and benefits to attract and retain top talent. Our Company provides a comprehensive package that includes performance-linked bonuses, Employee Stock Ownership Plans (ESOPs), and health insurance coverage, such as Medclaim, Personal Accident, and Term insurance. Moreover, our company offers relocation allowances and other allowances that align with industry standards, ensuring that candidates are attracted by the enticing compensation package.

Another attractive aspect for potential employees is the Flexi Pay Policy (ERA). This policy allows employees to have flexibility in their compensation, enabling them to customize their pay according to their preferences and needs. This innovative approach provides an additional incentive for talented individuals to join the organization.

To recognize and reward exceptional performance, 5paisa implements a robust rewards and recognition program. This initiative not only motivates employees but also showcases our Company's commitment to acknowledging and appreciating their efforts and achievements. Such recognition contributes to attracting high-performing individuals who seek a workplace culture that values and celebrates success.

Our Company also places a strong emphasis on offering career enhancement opportunities to its employees. With a focus on promotions, role enhancement, and job enrichment, 5paisa ensures that individuals can continually grow and advance in their careers within the organization. This commitment to

Management Discussion and Analysis (Contd.)

professional development acts as a magnet for ambitious and talented individuals who are seeking an environment that nurtures their growth.

5paisa recognizes the importance of work-life balance and actively encourages it through various initiatives. The organization embraces a hybrid work culture that allows employees to have flexibility in choosing their work arrangements, balancing their professional and personal commitments effectively. Moreover, the provision of paid time-off ensures that employees have the opportunity to recharge and maintain a healthy work-life equilibrium.

Promoting diversity in the workplace culture is another crucial aspect of attracting the right talent. 5paisa values inclusivity and ensures that all individuals are given equal opportunities for growth and success. By fostering a diverse and inclusive environment, the organization creates an attractive proposition for candidates who prioritize working in an environment that respects and appreciates differences.

Overall, through strong employer branding, competitive compensation and benefits, a flexible pay policy, rewards and recognition programs, career enhancement opportunities, work-life balance initiatives, and a commitment to diversity, 5paisa creates an appealing environment that attracts the right talent, ensuring the organization's continued success.

Training and Skilling

During fiscal year 2022-23, 5paisa introduced several new training modules to enhance the knowledge and skills of its employees. For Sales and Business Broking employees, our Company implemented a Sales Induction Training program. This training equips sales professionals with the necessary skills and knowledge to excel in their roles, covering various aspects such as effective sales techniques, customer relationship management, product knowledge, and understanding the intricacies of the business broking domain. By providing comprehensive training specific to the sales function, 5paisa aims to ensure that its sales team is well-prepared to meet customer needs and drive business growth.

In addition to sales-focused training, 5paisa recognized the importance of providing Business Induction Training for employees in other support functions. This training module is designed to familiarize employees with the intricacies of the organization's operations, policies, procedures, and the specific requirements of their respective support roles. By providing a comprehensive overview of our Company's business operations, this training enables support function employees to better contribute to the overall success of the organization and align their efforts with our Company's goals.

Furthermore, our Company introduced the NISM (National Institute of Securities Markets) Certification process for support functions such as Product Development, Operations, Business Broking, and Technology. NISM certifications are recognized as industry standards for professionals working in the securities market. By incorporating NISM certification into the training curriculum for these functions, 5paisa ensures that its employees possess the necessary expertise and knowledge required for their respective roles. These certifications cover a wide range of specialized areas, including product development, operations management, business broking, and technology, enabling employees to stay updated with industry best practices and regulations.

Through these new training modules, 5paisa demonstrates its commitment to the professional development and upskilling of its employees across various departments. By providing targeted and specialized training, our Company equips its workforce with the knowledge and competencies required to excel in their roles, ultimately contributing to the overall growth and success of the organization.

With all these initiatives, we have achieved the total training hours of 1,842 during the year.

Health and Wellbeing

Ensuring the well-being and health & safety of employees is a priority for 5paisa, and our Company has implemented various initiatives towards this goal. One such initiative is conducting periodic health check-up camps, which include eye check-ups, BMI and weight check-ups, and full-body check-ups. These camps provide employees with the opportunity to assess their health status and identify any potential concerns early on. By promoting preventive care and regular health screenings, 5paisa demonstrates its commitment to the overall well-being of its workforce.

Another significant step taken by our Company to prioritize employee health is the increase in the Mediclaim Coverage Limit in its health insurance policy across all levels during FY 2022-23. By enhancing the coverage limit, 5paisa ensures that employees have access to comprehensive medical insurance, offering financial protection and support during healthcare emergencies. This initiative demonstrates our Company's commitment to providing adequate healthcare coverage and addressing the evolving needs of its employees.

Through these initiatives, 5paisa reinforces its commitment to the health, well-being, and safety of its employees. By promoting regular health check-ups and increasing the coverage limit in the health insurance policy, our Company endeavors to create a supportive and caring work environment that prioritizes the physical and mental well-being of its workforce.

Management Discussion and Analysis (Contd.)

Employee engagement and celebrations

Throughout the year, 5paisa has implemented several HR initiatives aimed at enhancing employee engagement, knowledge-sharing, and overall well-being. One such initiative is the development and implementation of the Employee Connect & Survey Programs. These programs serve as a valuable platform for employees to provide feedback on various aspects of the organization, including company practices, policies, and work culture. By actively seeking and listening to employee feedback, 5paisa demonstrates its commitment to creating an inclusive and collaborative work environment where employees' opinions and experiences are valued, leading to continuous improvements and increased employee satisfaction.

Additionally, our Company organized a series of webinars to impart taxation knowledge to its employees. Recognizing the importance of keeping employees informed and updated on relevant topics, these webinars provided a valuable opportunity for employees to enhance their understanding of taxation matters. By facilitating continuous learning and professional development, 5paisa empowers its workforce with the knowledge and skills necessary to excel in their roles and stay abreast of industry trends.

Furthermore, 5paisa conducted periodic health check-up camps for its employees. These camps aimed at promoting employee well-being by offering comprehensive health assessments, including eye check-ups, BMI and weight check-ups, and full-body check-ups. By providing such health check-up opportunities, 5paisa demonstrates its commitment to employee health and safety, encouraging proactive healthcare management and the early detection of any potential health concerns.

Through these HR initiatives, 5paisa reinforces its dedication to employee engagement, continuous learning, and well-being. By fostering open communication, facilitating knowledge sharing, and promoting employee health, our Company cultivates a supportive and thriving work environment where employees feel valued, motivated, and empowered to contribute their best to the organization's success.

We prepared the yearly employee engagement calendar along with prior approval for planning the yearly engagement activities in the organization. During the year, we conducted engagement activities to boost the morale of the employees and promote team bonding and a healthy workplace. The festivals that we celebrated during the year included Independence day, Ganesh Chaturthi celebration, Friendship day, International Yoga day, Father's day, Mother's day, International women's day, Navratri, Christmas, Makar Sankranti, Republic Day, Gudipadwa and Foundation Day. We also celebrated R&R Day at 5paisa.

RISK MANAGEMENT

At 5paisa, risk management is at the core of its business operations and is seamlessly integrated across all aspects of our Company. The aim of this process is to achieve an optimal balance between risk and return while ensuring that our Company adheres to all applicable laws and regulations. A strong risk culture is an essential part of our Company's overall strategy and helps to reinforce resilience by promoting a holistic approach to risk management throughout the organization. 5paisa has invested heavily in people, processes, and technology to mitigate external and internal risks. To ensure effective risk management, our Company follows the "three line-of-defense" (3 LOD) model, where management control at the business entity level is the first line of defense, followed by various risk control and compliance oversight functions established by the management as the second line of defense. The third line of defense comprises the internal audit/assurance function. As a financial services company registered and regulated by SEBI for various services including stock broking, depository participant, investment advisory, research analyst, commodity broking, and mutual funds, our Company operates in a highly regulated environment. With its highly digitized processes, our Company minimizes the scope for errors and frauds. In this regard, 5paisa has identified various risks that it may face and has measures in place to mitigate their potential impact.

Market risk

As a financial technology broking services company, our Company's business is materially affected by the conditions in the domestic and global equity, debt, currency and financial markets and economic conditions in India and throughout the world. Its revenue, level of operations and consequently, our profitability are largely dependent on market conditions, a conducive regulatory and political environment, investor sentiments and other factors that affect the volume of trading in India and the level of interest in Indian business developments. A continuous market downturn would likely lead to a decline in the volume of transactions that our Company executes for its customers and will result in decline in revenues received from business. Our Company aims to mitigate inherent market risks by using sound investment policies, dedicated product advisory teams and regular monitoring of performance.

Technology risk

Our Company recognizes the susceptibility of its information technology systems to security threats such as computer viruses, ransomware and malware infection, phishing attacks, brand abuse, security breaches, data leakage, website and application hacking, and other similar disruptions. Third-party-induced disruptions in the Company's services may lead to interruptions, delays, or temporary suspension of services, resulting in revenue loss and customer dissatisfaction. If such security breaches persist, additional investments

Management Discussion and Analysis (Contd.)

will be required to implement advanced security systems to prevent unauthorized access to its networks, which may have a negative impact on our Company's financial condition. To minimize risks and challenges, our Company adheres to the highest standards of quality, superior service management, robust information security practices, and mature business continuity management. Our Company completed the annual ISO 27001:2013 (ISMS) surveillance audit successfully in December 2021 and has maintained compliance with applicable laws and regulations, including those from SEBI, BSE, NSE, MCX, NCDEX, CDSL, NSDL, among others. Our Company leverages industry-standard business applications and a robust IT infrastructure to manage business operations, improve overall productivity, and provide world-class customer experiences. Our Company has also implemented various measures to mitigate potential threats and risks, including privileged identity management, advanced malware detection and protection, end-point encryption, mobile device management, network and application layer attack protection, secured internet and remote access, and Cyber Insurance Cover to protect against financial losses. Our Company encourages employee skill development through e-learning modules on technology and other business areas, available via online training. Our Company's commitment to information and cyber-security ensures that its customers can rely on its services and operations even in the face of the COVID-19 pandemic and potential future crises.

Reputation risk

In the financial services industry, building a strong brand reputation is crucial for success. Our Company recognizes this and continuously strives to strengthen its brand image through marketing efforts and providing high-quality services. However, brand promotion activities may require significant cash outflow in the short term and may take longer to result in increased revenues, potentially impacting profitability. Neglecting to maintain and promote the brand could have adverse effects on our Company's financial condition and operations.

To maintain its reputation, our Company has instilled a culture of quality and ethical business practices, including a strict employee code of conduct and trading guidelines. Our Company closely monitors these policies and processes to ensure compliance and takes strict disciplinary action against those who deviate from them. Our Company also pays special attention to issues that could negatively impact its reputation and handles them with the utmost care and in accordance with the organization's values.

Human Resource risk

Our Company is exposed to various risks that may arise due to employee misconduct, fraudulent activities or operational errors. Employees may engage in activities such

as unauthorized transactions, misreporting, non-compliance with statutory requirements, and improper use of confidential information, which can have significant negative impacts on our Company's operations, financial performance, and reputation. Despite taking all necessary precautions to prevent and detect such activities, there may be instances where these activities go undetected, resulting in legal and regulatory proceedings that could significantly impact our Company's future business operations and financial performance.

To mitigate these risks, our Company places a strong focus on training employees to ensure they understand their job functions and comply with all relevant policies and regulations. Our Company's HR department ensures compliance with labor laws and other relevant statutes, and all incoming employees undergo a rigorous background screening process. Additionally, our Company has implemented effective segregation of duties to reduce the risk of fraud. These measures are aimed at ensuring that our Company is well-equipped to detect and prevent employee misconduct and fraudulent activities.

INTERNAL CONTROLS

Our Company's internal audit is conducted as per the Annual Audit Plan approved by the Audit Committee. The scope of internal audit covers all aspects of business, including regular front-end and back-end operations as well as internal compliances. The emphasis of the audit is to check on process controls, measures undertaken by our Company to monitor risk and to check for non-compliances, leakages or frauds. Our Company has invested in ensuring that its internal audit and control systems are adequate and commensurate with the nature of business, regulatory prescriptions and the size of its operations. The internal control system is supplemented by concurrent and internal audits, as well as special audits and periodic reviews by the management. For Company-wide internal audits, our Company has distributed the audit of major businesses to an independent top audit firm to have a wider and heterogeneous verification approach and inputs, and derive larger value from the audit process. In this regard, our Company has in place Mahajan and Aibara, Chartered Accountants for the purpose. Our Company also retains specialized audit firms to carry out specific / concurrent audit of some critical functions, such as half-yearly internal audit mandated by SEBI/Exchanges/Depositories, DP processes, Know Your Customer (KYC) verifications, demat transfers, payouts verifications, systems audit, end use verification audits and verification of related party transactions etc. among others. In addition, our Company complies with several specific audits mandated by regulatory authorities such as SEBI / Exchanges / Depositories and the reports are periodically submitted to the regulators. The Board/Audit Committee reviews the overall risk management framework and the adequacy of internal controls instituted by the management team. The Audit Committee

Management Discussion and Analysis (Contd.)

reviews major instances of fraud on a quarterly basis and actions, if necessitated are taken on the same. It also focuses on the implementation of the necessary systems and controls to strengthen the system and prevent such recurrence. The internal processes have been designed to ensure adequate checks and balances and regulatory compliances at every stage. Internal audit team carries out a risk-based audit of these processes to provide assurance on the adequacy and effectiveness of internal controls for prevention, detection, reporting and remediation of non-compliances, frauds etc.

INTERNAL FINANCIAL CONTROLS

Our Company has in place adequate internal controls with reference to financial statements and operations and the same are operating effectively. The Internal Auditors tested 66 key financial controls covering areas namely Finance & Accounts, Fixed Assets, Administration, HR Payroll, Retail Broking and compliance and no material weaknesses were observed in their examination. Further, Statutory Auditors verified the systems and processes and confirmed that the Internal Financial Controls system over financial reporting are adequate and such controls are operating effectively.

OUTLOOK

India is currently at an advantageous position compared to the global economy as it has remained relatively resilient to the international shocks that have been disrupting countries across the world. From a longer term perspective, it enjoys the advantage of having a young demographic that is technology inclined. As new-age technology pervades various aspects of business, particularly the financial sector, individuals and enterprises will benefit from services that are faster and more transparent and efficiency.

The capital markets, specifically the stock markets, have seen an influx of new investors as well as new listings, with a spate of IPOs that tapped the markets during the year. As the equity culture spreads and grows deeper, our Company is well placed to serve customers across the country, particularly in tier 2 and 3 towns and villages, on the strength of the substantial investments in people, processes and technology that it has made in previous years. Our Company continues to focus on delivering steady performance and staying ahead of the trends in the capital market and brokerage segment by leveraging its technology advantage.

Independent Auditor's Report

To the Members of 5paisa Capital Limited Report on the Audit of the Standalone Financial Statements

OPINION

We have audited the accompanying standalone Ind AS financial statements of 5paisa Capital Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2023, the Statement of Profit and Loss, Statement of Changes in Equity and Statement of Cash Flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its profit, total comprehensive income, changes in equity and cash flows for the year ended on that date.

BASIS FOR OPINION

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

KEY AUDIT MATTERS

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

Key Audit Matter	Response to Key Audit Matter
Information technology (IT) systems used in financial reporting process. The company's operational and financial processes are dependent on IT systems due to large volume of transactions that are processed daily.	We obtained an understanding of the Company's IT control environment relevant to the audit. We tested the design, implementation and operating effectiveness of the Company's General IT controls over the key IT systems which are critical to financial reporting. We also tested key automated and manual controls and logic for system generated reports relevant to the audit that would materially impact the financial statements.
We therefore identified IT systems and controls over financial reporting as a key audit matter for the Company.	In addition to above, we have also relied on the work of the internal auditors and system auditors.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the

Independent Auditor's Report (Contd.)

Company in accordance with the Ind AS and other accounting principles generally accepted in India. 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 is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

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

Independent Auditor's Report (Contd.)

the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the financial statements.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account maintained for the purpose or preparation of the financial statements.
 - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the

remuneration paid by the Company to its managing director during the year is in accordance with the provisions of section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has no pending litigation which may impact its financial position – Refer Note 29 of financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses Refer Note 41 (c) of the financial statements;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company - Refer Note 41 (d) of the financial statements.
 - iv. (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries Refer Note 41 (a) of the financial statements;
 - (b) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or



Independent Auditor's Report (Contd.)

- on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries Refer Note 41 (b) of the financial statements; and
- (c) In our opinion and based on the audit procedures, we have considered reasonable and appropriate in the circumstances; nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v. The Company has neither declared nor paid any dividend during the year.
- vi. Proviso to Rule 3(1) of Companies (Accounts) Rule, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

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

(Asha Patel)

Partner

(M.No.166048)

UDIN: 23166048BGUTEB4106

Place: Mumbai

Date: May 1, 2023

Annexure A to the Independent Auditor's Report

Annexure referred to in our report of even date to the members of 5paisa Capital Limited on the standalone financial statements for the year ended 31st March 2023

- i. (a) (A) The company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of Right of Use assets.
- (B) The Company is maintaining proper records showing full particulars of intangible assets.
- (b) As explained to us, the Company has a phased programme of verification of Property, Plant and Equipment once in 3 years which in our opinion is reasonable considering the size of the Company and nature of its Property, Plant and Equipment's. Based on the information and explanations given to us and on verification of records of the Company, no material discrepancies were observed on such verification.
- (c) The Company does not have any immovable property. Therefore, paragraph 3(i)(c) of the Order is not applicable to the Company.
- (d) According to the information and explanation given to us, the Company has not revalued its Property Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to the information and explanation given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act 1988 (45 of 1988) and rules made thereunder and accordingly, the requirements of paragraph 3(i)(e) of the Order are not applicable to the Company.
- ii. (a) The Company is not carrying on any trading or manufacturing activity. Therefore, Paragraph 3(ii)(a) of the Order is not applicable to the Company.
- (b) In our opinion and according to the information and explanation given to us, the Company has availed working capital limits from Banks on the basis of security of current assets. The quarterly returns or statements filed by the Company with banks are in agreement with the books of accounts of the Company.
- iii. According to the information and explanations given to us, The Company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firm, Limited Liability Partnerships or any other parties during the year. Therefore, paragraph 3(iii)(a),(c) to (f) of the Order is not applicable to the Company.
- During the year company has made investment in wholly owned subsidiary and the same is not prejudicial to the interest of the company.
- iv. According to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Act with respect to the loans, investments, guarantees and securities made as applicable.
- v. According to information and explanations given to us and records of the Company examined by us, the Company has not accepted any deposits from the public, within the meaning of Section 73 to 76 or any other relevant provisions of the Act and Rules framed thereunder. We are informed that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or other tribunal.
- vi. According to the information and explanations given to us, in respect of the class of industry the company falls under, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act. Therefore, paragraph 3(vi) of the Order is not applicable to the Company.
- vii. (a) According to the information and explanations given to us the Company is generally regular in depositing undisputed statutory dues including provident fund, employees state insurance, income tax , service tax, sales tax, value added tax, goods and services tax, cess and other statutory dues as applicable to the Company with the appropriate authorities. Further as explained, there are no undisputed statutory dues outstanding for more than six months as at 31st March 2023 from the date they became payable;
- (b) According to the information and explanations given to us and records of the Company examined by us, there are no dues of Income Tax, Wealth Tax, Sales Tax, Service Tax, Value Added Tax, Goods and Services Tax, Excise Duty, Customs Duty and Cess which have not been deposited on account of any dispute.

Annexure A to the Independent Auditor's Report (Contd.)

- viii. In our opinion and according to the information and explanation given to us, in respect of tax assessments made under the Income Tax Act, 1961, there are no transactions which have been surrendered or disclosed as income by the Company. Accordingly, there are no previously unrecorded income and related assets which have been accounted in the books of account during the year.
- ix. According to information and explanation given to us,
- (a) The Company has not defaulted in repayment of loans or borrowings or in payment of interest thereon to any lender.
- (b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company does not have any term loans. Hence reporting under paragraph 3(ix)(c) of the Order not applicable.
- (d) On an overall examination of the financial statements of the Company, funds raised on short term basis have, prima facie, not been utilized for long term purposes by the Company.
- (e) On an overall examination of the financial statements of the Company, Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries and hence reporting on paragraph 3(ix)(e) of the Order not applicable.
- (f) The Company has not raised any loans during the year on pledge of securities held in its subsidiaries and hence reporting on paragraph 3(ix)(f) of the Order not applicable.
- x. (a) In our opinion and according to the information and explanation given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under the paragraph 3(x)(a) is not applicable.
- (b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year and hence reporting under the paragraph 3(x)(b) is not applicable.
- xi. (a) Based upon the audit procedures performed and information and explanations given by the management, we have not come across any instances of fraud by the Company or on the Company during the year.
- (b) We have not filed Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government since we have not come across any instances of fraud by the Company or on the Company during the year.
- (c) The Company has a whistle blower policy system in place and according to the information and explanation received, no complaints have been received by the Company during the year (and up to the date of this report).
- xii. In our Opinion and according to the information and explanations given to us, the Company is not a Nidhi Company and hence clause (xii) of the order is not applicable to the Company.
- xiii. According to the information and explanation given to us and based on verification of the records and approvals of the Audit Committee, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the financial statements etc., as required by the applicable accounting standards.
- xiv. (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business and nature of its business;
- (b) We have considered the internal audit reports for the year under audit, issued to the Company and till date, in determining the nature, timing and extent of our audit procedures.
- xv. In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with Directors or persons connected with him during the year.
- xvi. (a) In our opinion and according to information and explanation given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Hence reporting under clause 3 (xvi)(a),(b) and (c) of the order are not applicable to the Company.
- (b) In our opinion and according to information and explanation given to us, there is no core investment company within the Group (as defined in the Core

Annexure A to the Independent Auditor's Report (Contd.)

Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3 (xvi) (d) of the order is not applicable to the Company.

xvii. The company has not incurred any cash losses in the financial year and also in the immediately preceding financial year.

xviii. There has been no resignation of statutory auditors during the year and accordingly the requirements of paragraph 3(xviii) of the Order not applicable to the Company.

xix. In our opinion and on the basis of examination of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans, nothing has come to our attention,

which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the balance sheet date as and when they fall due within a period of one year from the balance sheet date. We however state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. 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, reporting under clause 3(xx)(a) and (b) of the Order is not applicable for the year.

Place: Mumbai
Date: May 1, 2023

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

(Asha Patel)

Partner

(M.No.166048)

UDIN: 23166048BGUTEB4106

Annexure B to Auditor's Report

Annexure referred to in our report of even date to the members of 5paisa Capital Limited on the standalone financial statements for the year ended 31st March 2023

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

We have audited the internal financial controls over financial reporting of 5paisa Capital Limited ("the Company") as of March 31st, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

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

AUDITORS' RESPONSIBILITY

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing

the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

OPINION

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

(Asha Patel)
Partner

(M.No.166048)

UDIN: 23166048BGUTEB4106

Place: Mumbai
Date: May 1, 2023

Standalone Balance Sheet

As at March 31, 2023

(₹ in Millions)

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
I ASSETS			
(1) Financial Assets			
(a) Cash and cash equivalents	3	201.11	888.79
(b) Bank balance other than (a) above	4	12,801.71	11,111.03
(c) Receivables			
(i) Trade receivables	5	0.47	-
(d) Loans	6	1,726.54	2,516.53
(e) Investments	7	142.58	195.60
(f) Other financial assets	8	1,292.57	1,071.29
Sub total		16,164.98	15,783.24
(2) Non-Financial Assets			
(a) Current tax assets		0.15	40.18
(b) Deferred tax assets (net)	9	58.53	119.31
(c) Property, Plant and Equipment	10(a)	92.14	70.28
(d) Right of use assets	11	21.31	22.96
(e) Other intangible assets	10(b)	40.94	10.29
(f) Intangible assets under development	10(c)	-	2.27
(g) Other non-financial assets	12	66.87	51.45
Sub total		279.94	316.74
TOTAL		16,444.92	16,099.98
II LIABILITIES AND EQUITY			
LIABILITIES			
(1) Financial Liabilities			
(a) Payables			
(i) Trade payables			
(i) Total outstanding dues of micro enterprises and small enterprises	13	0.34	0.03
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	13	11.25	9.76
(ii) Other payables			
(i) Total outstanding dues of micro enterprises and small enterprises		-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	13	567.35	516.07
(b) Borrowings (Other than debt securities)	14	1,692.83	2,789.76
(c) Other financial liabilities	15	9,391.41	8,921.05
Sub total		11,663.18	12,236.67
(2) Non-Financial Liabilities			
(a) Current tax Liabilities		12.54	-
(b) Provisions	16	15.66	11.21
(c) Other non-financial liabilities	17	85.84	74.56
Sub total		114.04	85.77
(3) EQUITY			
(a) Equity share capital	18	306.36	294.17
(b) Other equity	19	4,361.34	3,483.37
Sub total		4,667.70	3,777.54
Total		16,444.92	16,099.98

See accompanying notes forming part of Standalone Financial Statements 1-44

As per our report of even date

For and on behalf of Board of Directors

For V Sankar Aiyar & Co.

 Chartered Accountants
 Firm's Registration No.109208W
 By the hand of

Asha Patel

 Partner
 Membership No.: 166048

Prakarsh Gagdani

 Whole Time Director & CEO
 (DIN: 07376258)

Gourav Munjal

 Whole Time Director & CFO
 (DIN: 06360031)

Namita Godbole

Company Secretary

Place: Mumbai

Dated: May 01, 2023

Standalone Statement of Profit and Loss

For the year ended March 31, 2023

(₹ in Millions)

Particulars	Note No.	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue from Operations			
(a) Interest income	20	1,018.89	809.90
(b) Fees and commission income	21	2,358.92	2,156.69
(I) Total revenue from operations		3,377.81	2,966.59
(a) Other income	22	3.66	9.08
(II) Total income		3,381.47	2,975.67
(III) Expenses			
(a) Finance cost	23	206.34	218.69
(b) Employee benefits expense	24	590.64	414.04
(c) Depreciation, amortization and impairment	25	80.40	42.75
(d) Other expenses	26	1,926.54	2,100.47
(IV) Total expenses		2,803.92	2,775.95
(V) Exceptional items		-	-
(VI) Profit/(Loss) before tax		577.55	199.72
(VII) Tax expense:	27		
(1) Current tax		82.91	-
(2) Deferred tax		61.67	51.37
(VIII) Profit/(Loss) for the year (VI-VII)		432.97	148.35
Other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss		(3.53)	1.84
(ii) Income tax relating to items that will not be reclassified to profit or loss		0.89	(0.46)
Other Comprehensive Income (IX)		(2.64)	1.38
Total Comprehensive Income for the year (VIII) + (IX)		430.33	149.73
Earnings per equity share of face value of ₹ 10 each	28		
Basic in (₹)		14.33	5.10
Diluted in (₹)		14.25	5.05

See accompanying notes forming part of Standalone Financial Statements 1-44

As per our report of even date

For V Sankar Aiyar & Co.

Chartered Accountants

Firm's Registration No.109208W

By the hand of

Asha Patel

Partner

Membership No.: 166048

Place: Mumbai

Dated: May 01, 2023

For and on behalf of Board of Directors

Prakarsh Gagdani

Whole Time Director & CEO

(DIN: 07376258)

Gourav Munjal

Whole Time Director & CFO

(DIN: 06360031)

Namita Godbole

Company Secretary

Statement of Changes in Equity

For the year ended March 31, 2023

A. Equity Share Capital

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	₹ in Millions	No. of Shares	₹ in Millions
Equity Shares				
At the beginning of the year	29,417,318	294.17	25,515,918	255.16
Changes in Equity Share Capital due to prior period errors	-	-	-	-
Restated Balance at the beginning of the previous reporting period	29,417,318	294.17	25,515,918	255.16
Changes in equity share capital during the year *	1,218,250	12.19	3,901,400	39.01
Closing at the end of year	30,635,568	306.36	29,417,318	294.17

* During the year 18,250 equity shares has been issued to the employees of the Company under employee stock option scheme & 1,200,000 shares have been issue on preferential basis.(In Previous year 84,000 equity shares has been issued to the employees of the Company under employee stock option scheme & 3,817,400 shares have been issue on preferential basis).

B. Other Equity

Particulars	Reserves and Surplus							Total
	Share Warrants	General Reserve	Securities Premium Reserve	Capital Reserve	Retained Earnings	Employee Stock option Reserve	Other items of Other Comprehensive Income	
Balance as at March 31, 2021	-	7.97	1,701.16	47.71	(466.63)	44.88	(2.81)	1,332.28
Changes in accounting policy or prior year errors April 1,2021	-	-	-	-	-	-	-	-
Restated balance at the beginning April 1, 2021	-	7.97	1,701.16	47.71	(466.63)	44.88	(2.81)	1,332.28
Profit for the year	-	-	-	-	148.35	-	-	148.35
Other comprehensive Income for the year	-	-	-	-	-	-	1.38	1.38
Premium of equity shares issued (net of share issue expenses)*	-	-	1,831.24	-	-	-	-	1,831.24
Utilised towards IPO expenses	-	-	-	-	-	-	-	-
Utilised towards equity share option excercised	-	-	-	-	-	-	-	-
Transfer to retained earnings from Equity Settled share-based payment reserve	-	-	-	-	-	-	-	-
Addition for equity share options granted	-	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	-
Additions during the year	150.00	-	-	-	-	20.12	-	170.12
Balance as at March 31, 2022	150.00	7.97	3,532.40	47.71	(318.28)	65.00	(1.43)	3,483.37
Changes in accounting policy or prior year errors	-	-	-	-	-	-	-	-
Restated balance at the beginning April 1, 2022	150.00	7.97	3,532.40	47.71	(318.28)	65.00	(1.43)	3,483.37
Profit for the year	-	-	-	-	432.97	-	-	432.97
Other comprehensive Income for the year	-	-	-	-	-	-	(2.65)	(2.65)
Premium of equity shares issued (net of share issue expenses)*	-	-	590.97	-	-	-	-	590.97
Utilised towards IPO expenses	-	-	-	-	-	-	-	-
Utilised towards equity share option excercised	-	-	-	-	-	-	-	-
Transfer to retained earnings from Equity Settled share-based payment reserve	-	-	-	-	-	-	-	-
Addition for equity share options granted	-	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	-
Additions during the year	(150.00)	-	-	-	-	6.68	-	(143.32)
Balance as at March 31, 2023	-	7.97	4,123.37	47.71	114.69	71.68	(4.08)	4,361.37

*Securities Premium reserve of ₹ 590.97 Million (P.Y. ₹ 1,831.24 Million) is created during the year due to issue of shares under equity stock option scheme and preferential issue.

See accompanying notes forming part of Standalone Financial statements (1 - 44)

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

Asha Patel
 Partner
 Membership No.: 166048

Place: Mumbai
 Dated: May 01, 2023

For and on behalf of Board of Directors

Prakarsh Gagdani
 Whole Time Director & CEO
 (DIN: 07376258)

Gourav Munjal
 Whole Time Director & CFO
 (DIN: 06360031)

Namita Godbole
 Company Secretary

Standalone Cash Flow Statement

For the year ended March 31, 2023

(₹ in Millions)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Cash Flows From Operating Activities		
Profit before tax	577.55	199.72
Adjustments for:		
Depreciation, amortisation and impairment	80.40	42.75
Employee benefit expenses - share based	6.68	20.12
Employee benefit expenses - others	10.22	6.83
Finance Cost	206.34	218.68
(Gain)/Loss on financial assets measured at fair value	11.08	(2.80)
Interest Income	3.64	-
(Gain)/Loss on sale of PPE & Intangible Assets	0.09	0.15
Operating profit before working capital changes	896.00	485.45
(Increase)/Decrease in Trade Receivables	(0.47)	0.00
(Increase)/Decrease in Loans	789.99	(1,125.85)
Increase/(Decrease) in Other Non financial Liabilities	11.28	54.39
(Increase)/Decrease in Other Financial Assets	(221.28)	537.33
Increase/(Decrease) in Other Financial Liabilities	470.35	4,387.20
(Increase)/Decrease in Other Non-Financial Assets	(15.42)	1.12
(Increase)/Decrease in Bank Deposits	(1,690.68)	(6,044.69)
Increase/(Decrease) in Provisions	(8.42)	(4.80)
Increase/(Decrease) in Trade Payable	1.80	5.53
Increase/(Decrease) in Other Payable	51.28	350.42
Cash generated/(used in) from operations	284.43	(1,353.90)
Taxes paid	(34.87)	(28.94)
Net cash generated/(used in) from operating activities (A)	249.56	(1,382.84)
Cash Flows From Investing Activities		
Purchase of PPE & Intangible Assets	(135.65)	(82.11)
Sale of PPE & Intangible Assets	6.58	6.65
Purchase of Investments	1,843.13	(320.45)
Sale of Investments	(1,801.19)	249.89
Net cash flow generated/(used in) investing activities (B)	(87.13)	(146.02)
Cash Flows From Financing Activities		
Increase/(Decrease) in Share Capital/Share Premium & Warrants(Net)	453.16	2,020.25
Bank overdraft Taken/(Repaid)	(1,096.93)	450.47
Inter corporate deposits Taken	7,000.00	5,750.00
Inter corporate deposits Repaid	(7,000.00)	(5,750.00)
Finance Cost	(206.34)	(218.68)
Net cash flow generated/(used in) financing activities (C)	(850.11)	2,252.03
Net increase/(decrease) in Cash and Cash Equivalents (A+B+C)	(687.68)	723.18
Cash and Cash Equivalents at beginning of year	888.79	165.61
Cash and Cash Equivalents at end of period	201.11	888.79
Net Increase/(Decrease) in Cash and Cash Equivalents	(687.68)	723.18

See accompanying notes forming part of the standalone financial statements (1 - 44)

As per our report of even date

For V Sankar Aiyar & Co.

Chartered Accountants

Firm's Registration No.109208W

By the hand of

Asha Patel

Partner

Membership No.: 166048

For and on behalf of Board of Directors

Prakarsh Gagdani

Whole Time Director & CEO

(DIN: 07376258)

Gourav Munjal

Whole Time Director & CFO

(DIN: 06360031)

Namita Godbole

Company Secretary

Place: Mumbai

Dated: May 01, 2023

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2023

NOTE 1. CORPORATE INFORMATION:

5paisa Capital Ltd ["5PCL"] is engaged in providing an online technology platform for trading in National Stock Exchange of India Ltd ,BSE Ltd & in MCX through web based trading terminal, mobile application and a state of the art Call and Trade Unit. 5PCL is also a SEBI approved Research analyst, a Depository Participant under CDSL and registered member of AMFI. 5PCL provides a wide range of financial services to its customers including depository services, distribution of mutual funds, bonds and debentures, Equity and Mutual fund research etc through its technology based platforms.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES AND KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

2.1 Significant Accounting Policies:

a) Basis of Preparation of Standalone financial statements:

The financial statement for the year ended 31 March 2023 has been prepared in accordance with Indian Accounting Standard ("Ind AS"). The Company is covered under the definition of NBFC and the Ind AS is applicable under Phase II as defined in notification dated March 30, 2016 issued by Ministry of Corporate Affairs (MCA), since the company is a listed company.

These Standalone financial results have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting standards prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued there under and the other accounting principles generally accepted in India and in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, and relevant amendment rules issued thereafter and under the historical cost convention on accrual basis except for the following items:

Items	Measurement basis
Certain financial assets and liabilities	Fair value (refer accounting policy regarding financial instruments)
Net defined benefit assets / liability	Fair value of plan assets less present value of defined benefit obligations
Share based payment	Fair value (refer accounting policy regarding financial instruments)

These Financial Statements of the Company are presented as per Schedule III (Division III) of the Companies Act, 2013 applicable to NBFCs, as

notified by the Ministry of Corporate Affairs (MCA). These Financial Statements of the Company are presented in Indian Rupees ("INR"), which is also the Company's functional currency and all values are rounded to nearest Millions upto two decimal places, except otherwise indicated.

The Standalone financial statements for the year ended March 31, 2023 are being authorized for issue in accordance with a resolution of the directors on May 01, 2023.

b) Property, plant and equipment:

Measurement at recognition:

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

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

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

Items such as spare parts, stand-by equipment and servicing equipment that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life. Subsequent expenditure relating to property, plant and equipment is capitalized only when it is probable that future economic benefit associates with these will flow into the Company and the cost of the item can be measured reliably.

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2023

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

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

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

Depreciation:

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

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

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

Depreciation is charged using the straight line method based on the useful life of fixed assets as estimated by the management as specified below. Depreciation is charged from the month in which new assets are put to use. No depreciation is charged for the month in which assets are sold. In the case of transfer of used fixed assets from

group companies, depreciation is charged over the remaining useful life of the assets. Individual assets/group of similar assets costing up to ₹ 5,000 have been depreciated in full in the year of purchase. Lease hold land is depreciated on a straight line basis over the lease hold period.

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

* For these class of assets, based on internal assessment and independent technical evaluation carried out by external valuers the management believes that the useful lives as given above best represent the period over which management expects to use these assets. Hence the useful lives for these assets are different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

Derecognition:

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

Capital work in progress and Capital advances:

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

c) Intangible assets:

Measurement at recognition:

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

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2023

amortization and accumulated impairment loss, if any. Intangible assets with indefinite useful lives, that are acquired separately, are carried at cost/fair value at the date of acquisition less accumulated impairment loss, if any.

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

Amortization:

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

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

Estimated useful economic life of the assets is as under:

Class of assets	Useful life in years
Software	3

Derecognition:

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

d) Impairment of Non-Financial Assets

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

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

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

e) Financial Instruments:

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

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

Financial assets

Initial recognition and measurement:

Trade Receivables, Loans and Deposits are initially recognized when they are originated. The Company recognizes a financial asset in its Balance Sheet when it becomes party to the contractual provisions of the instrument.

All financial assets are recognized initially at fair value, plus in the case of financial assets not recorded at fair value through profit or loss (FVTPL), transaction

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2023

costs that are attributable to the acquisition of the financial asset. However, trade receivables that do not contain a significant financing component are measured at transaction price.

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

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

Trade receivables that do not contain a significant financing component are measured at transaction price.

Subsequent measurement:

For subsequent measurement, the Company classifies a financial asset in accordance with the below criteria:

- i) The Company business model for managing the financial asset and
- ii) The contractual cash flow characteristics of the financial asset.

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

- i) Financial assets measured at amortized cost
- ii) Financial assets measured at fair value through other comprehensive income (FVTOCI)
- iii) Financial assets measured at fair value through profit or loss (FVTPL)

i. Financial assets measured at amortized cost:

A financial asset is measured at the amortized cost if both the following conditions are met:

- a) The Company business model objective for managing the financial asset is to hold financial assets in order to collect contractual cash flows, and
- b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

For the purpose of SPPI test, principal is the fair value of the financial asset at initial recognition. That principal amount may change over the life of the financial asset (e.g. if there are repayments of principal). Interest consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin. The SPPI assessment is made in the currency in which the financial asset is denominated. Contractual cash flows that are SPPI are consistent with a basic lending arrangement. Contractual terms that introduce exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are SPPI. An assessment of business models for managing financial assets is fundamental to the classification of a financial asset. The Company determines the business models at a level that reflects how financial assets are managed together to achieve a particular business objective. The Company business model does not depend on management's intentions for an individual instrument, therefore the business model assessment is performed at a higher level of aggregation rather than on an instrument-by-instrument basis.

This category generally applies to cash and bank balances, trade receivables, loans and other financial assets of the Company. Such financial assets are subsequently measured at amortized cost using the effective interest method.

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2023

Under the effective interest method, the future cash receipts are exactly discounted to the initial recognition value using the effective interest rate. The cumulative amortization using the effective interest method of the difference between the initial recognition amount and the maturity amount is added to the initial recognition value (net of principal repayments, if any) of the financial asset over the relevant period of the financial asset to arrive at the amortized cost at each reporting date. The corresponding effect of the amortization under effective interest method is recognized as interest income over the relevant period of the financial asset.

The amortized cost of a financial asset is also adjusted for loss allowance, if any.

ii. Financial assets measured at FVTOCI:

A financial asset is measured at FVTOCI if both of the following conditions are met:

- a) The business model objective for managing the financial asset is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Such financial assets are measured initially as well as at each reporting date at fair value. Fair value changes are recognized in the Other Comprehensive Income (OCI). However, the Company recognizes interest income and impairment losses and its reversals in the Statement of Profit and Loss.

On Derecognition of such financial assets, cumulative gain or loss previously recognized in OCI is reclassified from equity to Statement of Profit and Loss.

As at the balance sheet date, there are no financial assets which are measured at FVOCI.

iii. Investments in equity instruments at FVTOCI:

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

iv. Investments in equity instruments of subsidiaries & associates

Investments in equity instruments of subsidiaries are measured at cost.

v. Financial assets measured at FVTPL:

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

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2023

irrevocable election, subsequent changes in the fair value of such equity instruments are recognized in Statement of Profit and Loss. The Company recognizes dividend income from such instruments in the Statement of Profit and Loss.

Reclassifications:

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

Derecognition:

A financial asset (or, where applicable, a part of a financial asset or part of a similar financial assets) is derecognized (i.e. removed from the Balance Sheet) when any of the following occurs:

- i. The contractual rights to cash flows from the financial asset expires;
- ii. The Company transfers its contractual rights to receive cash flows of the financial asset and has substantially transferred all the risks and rewards of ownership of the financial asset;
- iii. The Company retains the contractual rights to receive cash flows but assumes a contractual obligation to pay the cash flows without material delay to one or more recipients under a 'pass-through' arrangement (thereby substantially transferring all the risks and rewards of ownership of the financial asset);
- iv. The Company neither transfers nor retains, substantially all risk and rewards of ownership, and does not retain control over the financial asset.

In cases where Company has neither transferred nor retained substantially all of the risks and rewards of the financial asset, but retains control of the

financial asset, the Company continues to recognize such financial asset to the extent of its continuing involvement in the financial asset. In that case, the Company also recognizes an associated liability. The financial asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

On derecognition of a financial asset the difference between the carrying amount and the consideration received is recognized in the Statement of Profit and Loss.

Impairment of financial assets:

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

- i. Trade receivables and lease receivables
- ii. Financial assets measured at amortized cost (other than trade receivables and lease receivables)
- iii. Financial assets measured at fair value through other comprehensive income (FVTOCI)

In case of trade receivables and lease receivables, the Company follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognised as loss allowance.

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

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

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

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2023

life of a financial asset. 12-month ECL area portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date.

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

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

Financial Liabilities and equity:

Initial recognition and measurement:

The Company recognizes a financial liability in its Balance Sheet when it becomes party to the contractual provisions of the instrument. All financial liabilities are recognized initially at fair value minus, in the case of financial liabilities not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial liability.

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

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

Subsequent measurement:

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

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

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

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

Equity instruments:

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

Derecognition:

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid is recognized in the Statement of Profit and Loss.

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2023

f) Fair Value:

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

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

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy that categorizes into three levels, described as follows, the inputs to valuation techniques used to measure value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

Level 1 – quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 – inputs for assets or liabilities that are not based on observable market data.

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period and discloses the same.

g) Foreign Currency Translation:

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

i. Functional and presentation currencies:

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

ii. Transactions & Balances:

Foreign currency transactions are translated into the functional currency at the exchange rates on the date of transaction. Foreign exchange gains and losses resulting from settlement of such transactions and from translation of monetary assets and liabilities at the year-end exchange rates are generally recognized in the Statement Profit and Loss. They are deferred in equity if they relate to qualifying cash flow hedges. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis. Non-monetary foreign currency items are carried at cost and accordingly the investments in shares of foreign subsidiaries are expressed in Indian currency at the rate of exchange prevailing at the time when the original investments are made or fair values determined.

iii. Foreign operations:

- The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:
 - assets and liabilities are translated at the closing rate as on that balance sheet date
 - income and expenses are translated at average exchange rates, and
 - all resulting exchange differences are recognised in other comprehensive income.

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2023

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

h) Income Taxes:

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

Current tax:

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

Deferred tax:

Deferred tax is provided using the balance sheet method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes as at the reporting date. Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit under Income tax Act, 1961.

Deferred tax liabilities are generally recognized for all taxable temporary differences. However, in case of temporary differences that arise from initial recognition of assets or liabilities in a transaction (other than business combination) that affect neither the taxable profit nor the accounting profit, deferred tax liabilities are not recognized. Also, for temporary differences if any that may arise from initial recognition of goodwill, deferred tax liabilities are not recognized.

Deferred tax assets are generally recognized for all deductible temporary differences to the extent it is probable that taxable profits will be available against

which those deductible temporary difference can be utilized. In case of temporary differences that arise from initial recognition of assets or liabilities in a transaction (other than business combination) that affect neither the taxable profit nor the accounting profit, deferred tax assets are not recognized.

The tax effects of income tax losses, available for carry forward, are recognised as deferred tax asset, when it is probable that future taxable profits will be available against which these losses can be set-off.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the benefits of part or all of such deferred tax assets to be utilized.

The deferred tax assets (net) and deferred tax liabilities (net) are determined separately for the Parent and each subsidiary company, as per their applicable laws and then aggregated.

Deferred tax assets and liabilities are measured at the tax rates that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

Presentation of current and deferred tax:

Current and deferred tax are recognized as income or an expense in the Statement of Profit and Loss, except when they relate to items that are recognized in Other Comprehensive Income, in which case, the current and deferred tax income/expense are recognized in Other Comprehensive Income.

The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. In case of deferred tax assets and deferred tax liabilities, the same are offset if the Company has a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Company.

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2023

i) Provisions and Contingencies:

The Company recognizes provisions when a present obligation (legal or constructive) as a result of a past event exists and it is probable that an outflow of resources embodying economic benefits will be required to settle such obligation and the amount of such obligation can be reliably estimated. The amount recognised as a provision is the best estimate of the consideration require to settle the present obligation at the end of reporting period, taking into account the risk & uncertainties surrounding the obligation.

If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

The Company in the normal course of its business, comes across client claims/ regulatory penalties/ inquiries, etc. and the same are duly clarified/ addressed from time to time. The penalties/ actions if any are being considered for disclosure as contingent liability only after finality of the representation of appeals before the lower authorities.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, (based on the judgement of the management considering factors including experience with similar matters, past history, precedents, relevant and other evidence and facts specified to the matter) no provision or disclosure is made.

Contingent assets are disclosed only where an inflow of economic benefits is probable.

j) Statement of Cash Flows :

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method adjusting the net profit for the effects of:

- changes during the period in operating receivables and payables transactions of a noncash nature;
- non-cash items such as depreciation, provisions, deferred taxes and unrealised foreign currency gains and losses.
- all other items for which the cash effects are investing or financing cash flows.

k) Cash and Cash Equivalents :

Cash and cash equivalents for the purpose of Cash Flow Statement comprise cash and cheques in hand, bank balances. Bank borrowings are used for business purposes, and hence bank overdrafts are not considered to be a part of cash and cash equivalents in Cash flow statement.

l) Revenue Recognition

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract.

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

Step 1: Identify contract(s) with a 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 contract price to the performance obligations in the contract: For contract that has more than one performance obligation, the

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2023

Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

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

The Company assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The Company has concluded that it is acting as a principal in all of its revenue arrangements.

Income from services rendered as a broker is recognised upon rendering of the services on a trade date basis, in accordance with the terms of contract. Fees for subscription based services are received periodically but are recognised as earned on a pro-rata basis over the term of the contract. Commissions from distribution of financial products are recognised upon allotment of the securities to the applicant. Commission and fees recognized as aforesaid are exclusive of goods and service tax, securities transaction tax, stamp duties and other levies by SEBI and stock exchanges.

Advances received from customers in respect of contracts are treated as liabilities and adjusted against progress billing as per terms of the contract. Progress payments received are adjusted against amount receivable from customers in respect of the contract work performed. Amounts retained by the customers until the satisfactory completion of the contracts are recognised as receivables.

m) Other Income

Interest is earned on delayed payments from customers 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. Dividend income is recognised when the right to receive the dividend is established.

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
 - the amortised cost of the financial liability
- Gains / losses on dealing in securities are recognized on a trade date basis.

n) Employee Benefits

Share-based payment arrangements:

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. The fair value determined at the grant date of the equity settled share-based payments is expensed on a straight line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in the Statement of Profit and Loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

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

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

Securities premium includes the difference between the face value of the equity shares and the consideration received in respect of shares issued pursuant to Stock Option Scheme. Expenses relating to share issue has been reduced from share premium.

Short Term Employee Benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2023

as short term employee benefits and they are recognized in the period in which the employee renders the related service if the company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably. The Company recognizes the undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered as a liability (accrued expense) after deducting any amount already paid.

Post-Employment Benefits:

I. *Defined contribution plans:*

Defined contribution plans are post-employment benefit plans under which the Company pays fixed contributions into state managed retirement benefit schemes and will have no legal or constructive obligation to pay further contributions, if any, if the state managed funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. The Company contributions to defined contribution plans are recognised in the Statement of Profit and Loss in the financial year to which they relate. The Company and its Indian subsidiaries operate defined contribution plans pertaining to Employee State Insurance Scheme and Government administered Pension Fund Scheme for all applicable employees and the Company operates a Superannuation scheme for eligible employees.

Recognition and measurement of defined contribution plans: The Company recognizes contribution payable to a defined contribution plan as an expense in the Statement of Profit and Loss when the employees render services to the Company during the reporting period. If the contributions payable for services received from employees before the reporting date exceed the contributions already paid, the deficit payable is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the reporting date, the excess is recognized as an asset to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund.

II. *Defined benefit plans:*

Gratuity scheme: The Company, operates a gratuity scheme for employees.

The contribution is paid to a separate fund in ICICI Prudential named 5 Paise Capital Limited Gratuity Fund, towards meeting the Gratuity obligations.

Recognition and measurement of defined benefit plans:

The cost of providing defined benefits is determined using the Projected Unit Credit method with actuarial valuations being carried out at each reporting date. The defined benefit obligations recognized in the Balance Sheet represent the present value of the defined benefit obligations as reduced by the fair value of plan assets, if applicable. Any defined benefit asset (negative defined benefit obligations resulting from this calculation) is recognized representing the present value of available refunds and reductions in future contributions to the plan.

All expenses represented by current service cost, past service cost if any and net interest on the defined benefit liability (asset) are recognized in the Statement of Profit and Loss. Re-measurements of the net defined benefit liability (asset) comprising actuarial gains and losses and the return on the plan assets (excluding amounts included in net interest on the net defined benefit liability/asset), are recognized in Other Comprehensive Income. Such remeasurements are not reclassified to the Statement of Profit and Loss in the subsequent periods.

Other Long Term Employee Benefits:

Entitlements to annual leave and sick leave are recognized when they accrue to employees. Sick leave can only be availed while annual leave can either be availed or encashed subject to a restriction on the maximum number of accumulation of leave. The Company determines the liability for such accumulated leaves using the Projected Accrued Benefit method with actuarial valuations being carried out at each Balance Sheet date.

Other Employee Benefits

Compensated absences which accrue to employees and which can be carried to future periods but are expected to be availed in twelve months immediately following the year in which the employee has rendered service are reported as

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2023

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.

o) Lease accounting :

The Company as a Lessee

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

At the date of commencement of the lease, the Company 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. 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.

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

The right-of-use assets are initially 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. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e.

the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

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.

The Company as a Lessor

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

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

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

The Company does not have any lease arrangement where it is a lessor as on the balance sheet date.

p) Borrowing Cost:

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs, if any, directly attributable to the acquisition, construction or production of an asset that necessarily takes

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2023

a substantial period of time to get ready for its intended use or sale are capitalized, if any. All other borrowing costs are expensed in the period in which they occur.

q) Earning Per Share:

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

r) 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 the main business. As such, there are no reportable segments that need to be reported separately as defined in Ind AS 108, Operating Segments.

2.2 KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

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

The Company makes certain judgments and estimates for valuation and impairment of financial instruments, fair valuation of employee stock options, useful life of property, plant and equipment, deferred tax assets and retirement benefit obligations. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

a. Income taxes

The Company tax jurisdiction is India. Significant judgements are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions. Further Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases.

b. Determination of the estimated useful lives of tangible assets

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technical or commercial obsolescence arising from changes or improvements in production or from a change in market demand of the product or service output of the asset.

c. Defined Benefit Obligation

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds corresponding to the probable maturity of the post-employment benefit obligations. Due to complexities involved in the valuation and its long term nature, defined benefit obligation is sensitive to changes in these assumptions. Further details are disclosed in Note 24.

d. Fair value measurement of Financial Instruments

When the fair values of financials assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques,

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2023

including the discounted cash flow model, which involve various judgements and assumptions.

e. Impairment of financial assets

The provision for expected credit loss involves estimating the probability of default and loss given default based on the Company own experience & forward looking estimation.

f. Provision for litigations

In estimating the final outcome of litigation, the Company applies judgment in considering factors including experience with similar matters, past history, precedents, relevant and other evidence and facts specified to the matter. Application of such judgment determines whether the Company requires an accrual or disclosure in the financial statements.

g. Fair valuation of employee share options

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

h. Determining whether an arrangement containing a lease

In determining whether an arrangement is, or contains a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease date if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset, even if that right is not explicitly specified in the arrangement.

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2023

NOTE 3 : CASH AND CASH EQUIVALENTS

(₹ in Millions)

Particulars	As at March 31, 2023	As at March 31, 2022
Cash & cash equivalents:		
- Cash in hand	-	-
- Cheques in hand	-	-
Balances with bank:		
- in current accounts	5.06	3.13
- in client accounts	196.05	885.66
Total cash & cash equivalents	201.11	888.79

NOTE 4 : BANK BALANCE OTHER THAN ABOVE

(₹ in Millions)

Particulars	As at March 31, 2023	As at March 31, 2022
Fixed Deposits (Non - Lien marked)	-	-
Fixed Deposits (Lien marked)*	12,801.71	11,111.03
Total	12,801.71	11,111.03

*Company has pledged fixed deposits with the banks for bank guarantee/overdraft facilities and with the stock exchange for margin/arbitration purpose and with other authorities.

NOTE 5 : RECEIVABLES

(₹ in Millions)

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Trade receivables		
- Receivables considered Good - unsecured	0.47	-
- Receivables which have significant increase in credit risk	-	-
- Receivables - credit impaired	-	-
Total (i) Gross	0.47	-
Less : Impairment loss allowance	-	-
Total (i) Net	0.47	-

a) No trade or other receivables are due from directors or from other officers of the Company either severally or jointly with any other person nor any trade or other receivables are due from firms or private companies respectively in which any directors is a partner, director or a member as at March 31, 2023 & March 31, 2022.

b) No trade receivables and other receivables are interest bearing.

Trade Receivables Ageing Schedule as on March 31, 2023

(₹ in Millions)

Particulars	Less than 6 Months	6 Months to 1 year	1-2 Years	2-3 Years	More than 3 years	Total
Undisputed Trade Receivables - Considered Good	0.47	-	-	-	-	0.47
Receivables which have significant increase in credit risk	-	-	-	-	-	-
Receivables - credit impaired	-	-	-	-	-	-

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2023

Trade Receivables Ageing Schedule as on March 31, 2022

(₹ in Millions)

Particulars	Less than 6 Months	6 Months to 1 year	1-2 Years	2-3 Years	More than 3 years	Total
Undisputed Trade Receivables - Considered Good	-	-	-	-	-	-
Receivables which have significant increase in credit risk	-	-	-	-	-	-
Receivables - credit impaired	-	-	-	-	-	-

NOTE 6 : LOANS

(₹ in Millions)

Particulars	As at March 31, 2023	As at March 31, 2022
Loans repayable on demand		
Margin trading facility balances*	1,726.54	2,516.53
Total	1,726.54	2,516.53

* Loans to customers are secured by pledge of Shares/Bonds/Mutual Funds and other allowable securities as per exchange rules.

NOTE 7 : INVESTMENTS

(₹ in Millions)

Particulars	As at March 31, 2023	As at March 31, 2022
A) At cost		
Investment in equity shares of subsidiaries*		
- 5paisa P2P Limited	72.50	72.50
- 5paisa Insurance Brokers Limited	0.50	0.50
- 5paisa Trading Limited	0.50	0.50
- 5paisa International Securities (IFSC) Limited	5.00	-
Total (A)	78.50	73.50
B) At fair value through profit or loss		
Exchange Traded Fund		
EQ-ABSLAMC	-	0.84
EQ - ABSLBANETF	1.01	1.47
EQ - ABSLNN50ET	1.52	0.88
EQ - BSLNIFTY	0.34	0.39
EQ - DSPN50ETF	2.30	15.82
EQ - DSPNEWETF	1.23	6.73
EQ - DSPQ50ETF	4.08	7.29
EQ - HEALTHY	1.11	0.41
EQ - LICNETFN50	2.27	4.42
EQ - LICNETFSEN	2.06	1.80
EQ - LICNFNHGP	2.82	5.75
EQ - SBIETFCO	3.63	2.01
EQ - SBIETFIT	2.60	3.82
EQ - SBIETFPB	2.46	3.84

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2023

(₹ in Millions)

Particulars	As at March 31, 2023	As at March 31, 2022
EQ - TECH	0.49	0.93
EQ- SBIETFQLTY	1.00	4.54
EQ- UTISXN50	2.87	2.81
EQ-BLSSENETFG	0.37	0.48
EQ-DSPBANKETFEQ	0.83	-
EQ-HBANKETF	3.02	-
EQ-HDFCBSE500	0.34	-
EQ-HDFCMID150	1.20	-
EQ-HDFCNIFETF	2.19	-
EQ-HDFCSENETF	0.84	-
EQ-HDFCSML250	2.16	-
EQ-SBISENSEXETF	0.24	6.77
EQ-SETFBANK EQ	0.77	6.60
EQ-SETFBSE100	2.46	5.42
EQ-SETFNIFTY EQ	2.92	6.89
EQ-SETFNIFTYNEXT 50 EQ	5.62	6.57
EQ-SETFSN50	1.59	3.45
EQ-UTIBANKETF	1.61	0.55
EQ-UTINEXT50	2.48	6.77
EQ-UTINIFTYETF	1.45	5.89
EQ-UTISENSEXETF	2.20	8.96
Total (B)	64.08	122.10
Total (A+B)	142.58	195.60
- Investment outside India	-	-
- Investment in India	142.58	195.60
Total	142.58	195.60

* The Company has opted to measure investment in subsidiaries at deemed cost as per Ind AS 27.

NOTE 8 : OTHER FINANCIAL ASSETS

(₹ in Millions)

Particulars	As at March 31, 2023	As at March 31, 2022
Deposit/Margin with exchanges	43.56	45.31
Clients and Exchanges receivables (net of provision)#	992.12	801.40
Security deposit with landlords and others*	13.47	12.80
Interest accrued on deposits and investments	235.59	211.78
Receivable from related parties (Refer note 33)	7.83	-
Total	1,292.57	1,071.29

#Includes receivable from director and key managerial personnel ₹ 0.00 million (March 31, 2022 ₹ 0.00 million)

* Include deposit with related party of ₹ 11.39 million (March 31, 2022 - 10.8 million) Refer note 33

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2023

NOTE 9 :- DEFERRED TAX ASSETS (NET)

(₹ in Millions)

Particulars	As at March 31, 2023			
	Opening balance as at April 1, 2022	Recognised in profit or loss (net)	Recognised in/reclassified from OCI	Closing balance
Deferred tax assets:				
Depreciation on property, plant and equipment	0.94	(3.16)	-	(2.22)
Provisions for expected credit loss	39.07	8.72	-	47.79
Compensated absences and retirement benefits	3.19	1.76	0.89	5.84
Tax on business Loss carry-forward	76.09	(76.09)	-	-
Amortization Income	4.95	3.78	-	8.73
Total deferred tax assets (a)	124.24	(64.99)	0.89	60.14
Deferred tax liabilities:				
Unrealised profit on investments	(3.61)	2.79	-	(0.82)
On Lease Rentals as per tax	(1.32)	0.53	-	(0.79)
Total deferred tax liabilities (b)	(4.93)	3.32	-	(1.61)
Deferred tax assets (a) + (b)	119.31	(61.67)	0.89	58.53

(₹ in Millions)

Particulars	As at March 31, 2022			
	Opening balance as at April 1, 2021	Recognised in profit or loss (net)	Recognised in/reclassified from OCI	Closing balance
Deferred tax assets:				
Depreciation on property, plant and equipment	2.52	(1.58)	-	0.94
Provisions for expected credit loss	12.01	27.06	-	39.07
Compensated absences and retirement benefits	2.45	1.21	(0.46)	3.19
Tax on business Loss carry-forward	156.05	(79.96)	-	76.09
Amortization Income	2.79	2.16	-	4.95
Total deferred tax assets (a)	175.82	(51.11)	(0.46)	124.24
Deferred tax liabilities:				
Unrealised profit on investments	(3.83)	0.22	-	(3.61)
On Lease Rentals as per tax	(0.84)	(0.48)	-	(1.32)
Total deferred tax liabilities (b)	(4.67)	(0.26)	-	(4.93)
Deferred tax assets (a) + (b)	171.15	(51.37)	(0.46)	119.31

NOTE 10(A): PROPERTY, PLANT AND EQUIPMENT

Tangible Assets:

(₹ in Millions)

Particulars	Computer	Electrical Equipment	Furniture & Fixture	Office Equipment	Total
As at March 31, 2021	38.47	2.88	2.95	2.57	46.87
Additions	67.82	0.01	7.95	2.16	77.93
Disposals/Adjustments	6.34		0.31		6.65
As at March 31, 2022	99.95	2.88	10.59	4.73	118.15
Additions	71.80		0.54	2.73	75.07
Disposals/Adjustments	10.14	0.85	1.19	0.13	12.31
As at March 31, 2023	161.61	2.03	9.94	7.33	180.91

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2023

(₹ in Millions)

Particulars	Computer	Electrical Equipment	Furniture & Fixture	Office Equipment	Total
Accumulated Depreciation:					
As at March 31, 2021	24.78	1.59	2.00	2.00	30.37
Depreciation charge for the year	17.69	0.57	1.46	0.63	20.35
Deductions/Adjustments	2.54	-	0.31	-	2.85
As at March 31, 2022	39.92	2.16	3.14	2.63	47.86
Depreciation charge for the year	42.97	0.51	2.09	1.08	46.65
Deductions/Adjustments	3.71	0.83	1.12	0.07	5.73
As at March 31, 2023	79.18	1.84	4.11	3.64	88.77

Net Book Value:

(₹ in Millions)

Particulars	Computer	Electrical Equipment	Furniture & Fixture	Office Equipment	Total
As at March 31, 2022	60.03	0.72	7.44	2.10	70.28
As at March 31, 2023	82.43	0.19	5.83	3.69	92.14

NOTE 10(B): OTHER INTANGIBLE ASSETS (OTHER THAN INTERNALLY GENERATED):

(₹ in Millions)

Particulars	Software	Total
Cost:		
As at March 31, 2021	20.33	20.33
Additions	8.49	8.49
Deductions/Adjustments	-	-
As at March 31, 2022	28.82	28.82
Additions	44.27	44.27
Deductions/Adjustments	-	-
As at March 31, 2023	73.09	73.09
Accumulated Depreciation:		
As at March 31, 2021	13.64	13.64
Depreciation charge for the year	4.89	4.89
Deductions/Adjustments	-	-
As at March 31, 2022	18.53	18.53
Depreciation charge for the year	13.62	13.62
Deductions/Adjustments	-	-
As at March 31, 2023	32.15	32.15

Net Book Value:

(₹ in Millions)

Particulars	Software	Total
As at March 31, 2022	10.29	10.29
As at March 31, 2023	40.94	40.94

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2023

NOTE 10 (C) : INTANGIBLE ASSETS UNDER DEVELOPMENT

Intangible assets under development ageing schedule as at March 31, 2023

(₹ in Millions)

Particulars	Amount for a period of			Total
	Less than 1 year	1-2 years	2-3 years	
Projects in progress	-	-	-	-
Projects temporarily suspended	-	-	-	-
Total	-	-	-	-

Intangible assets under development ageing schedule as at March 31, 2022

(₹ in Millions)

Particulars	Amount for a period of			Total
	Less than 1 year	1-2 years	2-3 years	
Projects in progress	2.27	-	-	2.27
Projects temporarily suspended	-	-	-	-
Total	2.27	-	-	2.27

NOTE 11 :- RIGHT OF USE ASSETS

A) Following are the changes in the carrying value of right of use assets for the year ended March 31, 2023:

(₹ in Millions)

Particulars	Premises	Vehicle	Total
Balance as at 01 April, 2021	38.49	0.41	38.91
Additions to right of use assets	1.57	-	1.57
Deletions to right of use assets	-	-	-
Depreciation	17.31	0.21	17.52
Balance as at April 01, 2022	22.76	0.21	22.96
Additions to right of use assets	18.50	-	18.50
Deletions to right of use assets	-	-	-
Depreciation	19.95	0.21	20.15
Closing Balance as at March 31, 2023	21.31	-	21.31

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

B) The following is the movement in lease liabilities during the year ended March 31, 2023:

(₹ in Millions)

Particulars	Premises	Vehicle	Total
Balance as at 01 April, 2021	41.81	0.45	42.26
Additions	1.57	-	1.57
Deletion	-	-	-
Finance cost accrued during the period	3.50	0.03	3.53
Payment of lease liabilities	(18.91)	(0.25)	(19.15)
Balance as at April 01, 2022	27.97	0.24	28.21
Additions	18.50	-	18.50
Deletion	-	-	-
Finance cost accrued during the year	3.30	0.01	3.31
Payment of lease liabilities	(25.32)	(0.25)	25.56
Balance as at March 31, 2023	24.46	-	24.46

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2023

C) Following is the break up value of the Current and Non - Current Lease Liabilities for the year ended March 31, 2023:

(₹ in Millions)			
Particulars	Premises	Vehicle	Total
Current lease liabilities	17.74	-	17.74
Non-current lease liabilities	6.73	-	6.73
Total	24.46	-	24.46

D) Table showing details regarding the contractual maturities of lease liabilities on an undiscounted basis:

(₹ in Millions)			
Particulars	Premises	Vehicle	Total
As at March 31, 2022			
Less than one year	16.39	0.24	16.63
One to two years	11.59	-	11.59
Two to five years	-	-	-
Total	27.97	0.24	28.21
As at March 31, 2023			
Less than one year	17.73	-	17.73
One to two years	6.73	-	6.73
Two to five years	-	-	-
Total	24.46	-	24.46

E) Amounts recognised in profit or loss:

(₹ in Millions)	
Particulars	Amount
For the year ended March 31, 2022	
Interest on lease liabilities	3.50
Expenses relating to leases of low-value assets, excluding short-term leases of low value assets	0.03
Total	3.53
For the year ended March 31, 2023	
Interest on lease liabilities	3.30
Expenses relating to leases of low-value assets, excluding short-term leases of low value assets	0.01
Total	3.31

F) Amounts recognised in the statement of cash flows:

(₹ in Millions)	
Particulars	Amount
For the year ended March 31, 2022	
Total cash outflow for leases	19.15
For the year ended March 31, 2023	
Total cash outflow for leases	25.56

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2023

NOTE 12 : OTHER NON-FINANCIAL ASSETS

(₹ in Millions)

Particulars	As at March 31, 2023	As at March 31, 2022
Prepaid expenses	35.90	23.60
Other advances	30.97	27.85
Total	66.87	51.45

NOTE 13 : PAYABLES

(₹ in Millions)

Particulars	As at March 31, 2023	As at March 31, 2022
(I) Trade Payable		
(i) Total outstanding dues of micro enterprises and small enterprises	0.34	0.03
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	11.25	9.76
Total (a)	11.59	9.79
(II) Other Payable		
(i) Total outstanding dues of micro enterprises and small enterprises	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-
(a) Other trade payables	-	-
(b) Accrued salaries & benefits	0.57	2.60
(c) Provision for expenses	566.78	513.47
Total (b)	567.35	516.07
Total (a+b)	578.94	525.86

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

(₹ in Millions)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Principal amount remaining unpaid to any supplier at the year end	0.34	0.03
(b) Interest due thereon remaining unpaid to any supplier at the year end	-	-
(c) Amount of interest paid and payments made to the supplier beyond the appointed day during the year	-	-
(d) Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Act	-	-
(e) Amount of interest accrued and remaining unpaid at the year end	-	-
(f) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the act	-	-

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2023

Trade & Other payable ageing schedule as at March 31, 2023

(₹ in Millions)

Particulars	Outstanding for following periods from due date of payment					Total
	Unbilled	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	
(i) MSME - undisputed	-	0.34	-	-	-	0.34
(ii) Others - undisputed	546.35	32.25	-	-	-	578.60
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	546.35	32.59	-	-	-	578.94

Trade & Other payable ageing schedule as at March 31, 2022

(₹ in Millions)

Particulars	Outstanding for following periods from due date of payment					Total
	Unbilled	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME - undisputed	-	0.03	-	-	-	0.03
(ii) Others - undisputed	516.07	9.76	-	-	-	525.83
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	516.07	9.79	-	-	-	525.86

NOTE 14 : BORROWINGS (OTHER THAN DEBT SECURITIES)

(₹ in Millions)

Particulars	As at March 31, 2023	As at March 31, 2022
At amortised cost		
(a) Loans repayable on demand (from banks) : Secured		
- Working capital demand loan	300.00	-
- Bank Overdraft	1,392.83	2,789.76
(b) Other loans : Unsecured		
- Loan from related parties (Refer note 33)	-	-
Total (c) = (a) + (b)	1,692.83	2,789.76
Borrowings in India	1,692.83	2,789.76
Borrowings outside India	-	-
Total	1,692.83	2,789.76

(a) Terms of loans:

- (i) Working Capital Demand Loan (WC DL) are secured by way of first pari-passu charge on all receivables and current assets to the tune of 1.75 times to 2 times of the outstanding facility amount. Bank Overdraft are secured by fixed deposit. Please refer to note 30 for details of asset pledged.
- (ii) Loan from related parties are unsecured.

(b) Tenor of repayment :

- (i) For WC DL it varies from 7 days to 365 days of each tranche, principal amount of each tranche is to be paid as bullet payment on maturity date.
- (ii) For bank overdraft the same is repayable on demand.
- (iii) For loan from related parties the same is repayable on demand.

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2023

(c) Interest Rate :

- (i) For WCDL the rate of interest is fixed Lending banks MCLR rate + Spread varies (0.95% to 1.40%), Interest is payable monthly basis on the last date of each month.
- (ii) For Bank Overdraft Interest rate is FD rate + Spread varies (0.75% to 1.00%), Interest is payable monthly basis on the last date of each month.
- (iii) For related parties interest rate is in the range of 9.50% to 10.80% p.a. as approved by the board.

NOTE 15 : OTHER FINANCIAL LIABILITIES

(₹ in Millions)

Particulars	As at March 31, 2023	As at March 31, 2022
Clients and Exchanges payables #	9,348.16	8,875.22
Payable to related parties (Refer note 33)	-	2.16
Lease liability	24.46	28.21
Provision for gratuity (funded)	4.99	1.48
Other payable	9.43	10.50
Interest Accrued but not due	4.37	3.48
Total	9,391.41	8,921.05

Include payable to directors & key managerial personnel of ₹ 0.10 million (March 31, 2022 ₹ 0.25 million)

NOTE 16 : PROVISIONS

(₹ in Millions)

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for leave encashment	15.66	11.21
Total	15.66	11.21

NOTE 17 : OTHER NON-FINANCIAL LIABILITIES

(₹ in Millions)

Particulars	As at March 31, 2023	As at March 31, 2022
Statutory dues	51.16	54.89
Income received in advance	34.68	19.67
Total	85.84	74.56

NOTE 18 : EQUITY SHARE CAPITAL

a. The Authorised, Issued, Subscribed and Paid up Share Capital:

(₹ in Millions)

Particulars	As at March 31, 2023	As at March 31, 2022
Authorized Share Capital		
At the beginning of the year	800.00	800.00
Add: Increase in authorised share capital	-	-
Closing at the end of year	800.00	800.00
Issued, Subscribed and Paid-up Share Capital		
3,06,35,568 (Previous Year 2,94,17,318) Equity Shares of ₹10/- each fully paid-up	306.36	294.17

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2023

b. Reconciliation of the shares outstanding at the beginning and at the end of the year:

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	₹ in Millions	No. of Shares	₹ in Millions
Equity Shares				
At the beginning of the year	29,417,318	294.17	25,515,918	255.16
Add: Shares issued during the year*	1,218,250	12.19	3,901,400	39.01
Closing at the end of year	30,635,568	306.36	29,417,318	294.17

During the year 18,250 equity shares has been issued to the employees of the Company under employee stock option scheme & 1,200,000 shares have been issue on preferential basis. In Previous year 84,000 equity shares has been issued to the employees of the Company under employee stock option scheme & 3,817,400 shares have been issue on preferential basis.

c. Terms/rights attached to equity shares

The Company has only one class of shares referred to as equity shares having a par value of ₹ 10/- each. Each holder of equity shares is entitled to one vote per share.

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

d. Details of shareholders holding more than 5% shares in the Company:

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	% of holding in the class	No. of Shares	% of holding in the class
Equity share of ₹ 10 each fully paid up				
FIH Mauritius Investments Ltd.	7,670,130	25.04	7,670,130	26.07
Nirmal Bhanwarlal Jain	6,205,088	20.25	5,600,088	19.04
HWIC Asia Fund Class A Shares	2,570,186	8.39	2,570,186	8.74
WF Asian Reconnaissance Fund Limited	2,905,906	9.49	2,905,906	9.88
Madhu N Jain	1,845,016	6.02	1,365,016	4.64

e. Details of shares held by promoters at as on March 31, 2023

Promoter name	Number of shares	%of total shares	% Change during the year
Mr. Nirmal Jain	6,205,088	20.25%	1.21%
Mr. Venkataraman Rajamani	1,264,594	4.13%	0.90%
Mrs. Madhu N Jain	1,845,016	6.02%	1.38%
Aditi Avinash Athavankar (in her capacity as a trustee of Kalki Family Private Trust)	720,000	2.35%	-0.10%
Ardent Impex Pvt Ltd	108,000	0.35%	-0.01%
Orpheus Trading Pvt. Ltd.	52,000	0.17%	-0.01%
Mrs. Aditi Athavankar	16,000	0.05%	0.00%

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2023

Details of shares held by promoters at as on March 31, 2022

Promoter name	Number of shares	% of total shares	% Change during the year
Mr. Nirmal Jain	5,600,088	19.04%	-2.91%
Mr. Venkataraman Rajamani	949,594	3.23%	-0.49%
Mrs. Madhu N Jain	1,365,016	4.64%	-0.71%
Aditi Avinash Athavankar (in her capacity as a trustee of Kalki Family Private Trust)	720,000	2.45%	0.37%
Ardent Impex Pvt Ltd	108,000	0.36%	0.06%
Orpheus Trading Pvt. Ltd.	52,000	0.18%	0.02%
Mrs. Aditi Athavankar	16,000	0.05%	0.01%

- f. During the period of five years immediately precedings the balance sheet date, the Company has not issued any shares without payment being received in cash or by any way of bonus shares or shares bought back.
- g. Shares reserved for issue under options and contracts/commitments for sale of shares/disinvestments, including the terms and amount, refer note 34 other equity for details of shares reserved for issue under Employee Stock Option Plan of the Company.

NOTE 19 : OTHER EQUITY

(₹ in Millions)

Particulars	Reserves and Surplus						Other items of Other Comprehensive Income	Total
	Share Warrants	General Reserve	Securities Premium Reserve	Capital Reserve	Retained Earnings	Employee Stock option Reserve		
Balance as at March 31, 2021	-	7.97	1,701.16	47.71	(466.63)	44.88	(2.81)	1,332.28
Total comprehensive income for the year	-	-	-	-	148.35	-	1.38	149.73
Transfer from/to reserve	-	-	-	-	-	-	-	-
Additions during the year * (Net of share issue expenses)	150.00	-	1,831.24	-	-	20.12	-	2,001.36
Balance as at March 31, 2022	150.00	7.97	3,532.40	47.71	(318.28)	65.00	(1.43)	3,483.37
Total comprehensive income for the year	-	-	-	-	432.97	-	(2.65)	430.32
Transfer from/to reserve	-	-	-	-	-	-	-	-
Additions during the year * (Net of share issue expenses)	(150.00)	-	590.97	-	-	6.68	-	447.65
Balance as at March 31, 2023	-	7.97	4,123.37	47.71	114.69	71.68	(4.08)	4,361.34

*Securities Premium reserve of ₹ 590.97 Million (P.Y. ₹ 1,831.24 Million) is created during the year due to issue of shares under equity stock option scheme & preferential issue.

Footnotes: Nature and purpose reserves

- Share Warrant : 1,200,000 Share Warrant exercisable (convertible) in one or more tranches, anytime within period of eighteen months from the date of issue of warrants i.e e May 19, 2021 into equal number of equity shares of face value of ₹ 10/- each of the holding company on a preferential basis for cash.
The Capital Raising Committee of the Board of Directors of the Company in its meeting held on August 02, 2022 allotted 1,200,000 Equity Shares pursuant to exercise of options attached to the convertible warrants by the Mr. Nirmal Jain, Mrs. Madhu Jain & Mr. Venkataraman Rajamani, Promoters of the Company, consequent to the receipt of notice for exercise, along with the balance 75% of the application money (being 375/- per share) due on the Warrants, i.e. ₹ 450,000,000 (INR Forty-Five Crore only).
- Capital reserves : Capital reserve is created as per scheme of arrangement where undertaking including all assets and liabilities of undertaking were transferred to and vested by IIFL Finance Limited (previously known as IIFL Holding Limited).
- Securities premium : Securities premium represents the surplus of proceeds received over the face value of shares, at the time of issue of shares.
- Retained earnings : The balance in retained earnings primarily represents the surplus/deficit after payment of dividend (including tax on dividend) and transfer to reserves.
- General Reserve : General reserve is created on account on employee stock option lapsed/exercised, in accordance with the Companies Act, 2013.
- Employee stock option reserve : Employee stock option reserve accounts represents reserve created on fair value of options against the options outstanding as at balance sheet date.

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2023

NOTE 20 : INTEREST INCOME

(₹ in Millions)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest on deposits with banks *	650.87	434.24
Interest on loan (Margin Funding Facilities)	368.02	375.66
Other interest income [®]	0.00	0.00
Total	1,018.89	809.90

[®]Amount is less than ₹ 0.01 million, hence shown ₹ 0.00 million.

*Includes interest received on fixed deposit with bank which are pledged with exchanges for Margin Purpose requirement.

NOTE 21 : FEES AND COMMISSION INCOME

(₹ in Millions)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Brokerage & related income	2,139.09	1,955.74
Commission & other advisory fees (including cross sell)	219.83	200.95
Total	2,358.92	2,156.69

NOTE 22 : OTHER INCOME

(₹ in Millions)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest Income on		
- others	3.64	0.14
Capital Gain - Mutual Fund	-	5.73
Gain on financial assets measured at fair value through Profit & Loss account	-	2.80
Other Income	0.02	0.41
Total	3.66	9.08

NOTE 23 : FINANCE COST MEASURED AT AMORTISED COST

(₹ in Millions)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest on borrowings	162.67	198.79
Other borrowing cost	43.67	19.90
Total	206.34	218.69

NOTE 24 : EMPLOYEE BENEFIT EXPENSES

(₹ in Millions)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries/wages and bonus	549.69	370.56
Contribution to provident and other funds	19.29	12.67
Share based payments*	6.53	20.20
Staff welfare expenses	4.91	3.78
Gratuity (As per actuarial report)	3.70	3.10
Leave encashment (As per actuarial report)	6.52	3.73
Total	590.64	414.04

*After considering reversal of unvested options lapsed during the year.

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2023

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

A) Defined Benefit Plans:

(i) Reconciliation of opening and closing balances of Defined Benefit Obligation

(₹ in Millions)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Defined benefit obligation as at beginning of year	17.51	15.61
Interest cost	1.20	1.03
Current service cost	3.59	3.07
Service Cost	-	-
Liability transferred In/ acquisitions	0.34	2.69
(Liability transferred out/ divestments)	(0.06)	(1.01)
(Benefit paid directly by the Employer)	-	-
(Benefit paid from the fund)	(1.29)	(1.88)
Actuarial (gains)/losses on obligations - due to change in demographic assumptions	-	0.01
Actuarial (gains)/losses on obligations - due to change in financial assumptions	(2.50)	(0.95)
Actuarial (gains)/losses on obligations - due to experience	5.31	(1.06)
Defined benefit obligation at the end of the year	24.10	17.51

(ii) Reconciliation of opening and closing balances of fair value of Plan Assets

(₹ in Millions)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Change in the fair value of plan assets		-
Fair value of plan assets at the beginning of the year	16.03	15.07
Interest income	1.09	0.99
Contributions by the employer	4.00	2.00
Expected return on plan assets (excluding interest)	-	-
Assets transferred in/acquisitions	-	-
(Benefit paid from the fund)	(1.30)	(1.88)
Return on plan Assets, excluding interest income	(0.72)	(0.15)
Fair value of plan assets at the end of the year	19.10	16.03

(iii) Amount Recognized in the Balance Sheet

(₹ in Millions)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(Present Value of Benefit Obligation at the end of the year)	(24.10)	(17.51)
Fair value of Plan Assets at the end of the year	19.11	16.03
Funded Status - Surplus / (Deficit)	(4.99)	(1.48)
Net (liability)/Asset recognized in the balance sheet (surplus/ (deficit))	(4.99)	(1.48)

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2023

(iv) Expenses recognised during the year

Particulars	(₹ in Millions)	
	For the year ended March 31, 2023	For the year ended March 31, 2022
In Income statement		
Current service cost	3.59	3.07
Net interest cost	0.10	0.04
Past service cost	-	-
Expense recognised in the Statement of Profit and Loss under "Employee benefits expenses"	3.70	3.10
In other comprehensive income		
Actuarial (gains)/Losses on obligation for the period	2.81	(1.99)
Return on plan assets, excluding interest income	0.72	0.15
Change in asset ceiling	-	-
Net (income)/expense for the year recognized in OCI	3.53	(1.84)

(v) Balance sheet reconciliation

Particulars	(₹ in Millions)	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening net liability	1.48	0.54
Expenses Recognized in Statement of Profit or Loss	3.70	3.10
Expenses Recognized in OCI	3.53	(1.84)
Net Liability/(Asset) Transfer In	0.34	2.69
Net (Liability)/Asset Transfer Out	(0.06)	(1.01)
(Benefit Paid Directly by the Employer)	-	-
(Employer's Contribution)	(4.00)	(2.00)
Net liability/(asset) recognized in the balance sheet	4.99	1.48

(vi) Investment Details

Particulars	(₹ in Millions)	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Category of assets		
Insurance fund	19.11	16.03
Total	19.11	16.03

(vii) Actuarial assumptions

Particulars	(₹ in Millions)	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Expected return on plan assets	7.39%	6.84%
Rate of discounting	7.39%	6.84%
Rate of salary increase	10.00%	10.00%
Rate of employee turnover	For service 4 years and below 42% p.a. For service 5 years and above 1% p.a.	For service 4 years and below 42% p.a. For service 5 years and above 1% p.a.
Mortality rate during employment	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality 2012-14 (Urban)
Mortality rate after employment	N.A.	N.A.

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2023

- (a) The estimate of future salary increase, considered in the actuarial valuation, takes into account inflation, seniority, promotion, increments and other relevant factors.
- (b) The Expected Rate of Return on Plan Assets is determined considering several applicable factors, mainly the composition of Plan Assets held assessed risks, historical results of return on Plan Assets and the Company's policy for Plan Assets Management.

(viii) Sensivity analysis

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

(₹ in Millions)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Projected Benefit Obligation on Current Assumptions	24.10	17.51
Delta Effect of +1% Change in Rate of Discounting	(4.11)	(3.04)
Delta Effect of -1% Change in Rate of Discounting	4.23	3.85
Change in Salary Escalation Rate		
Delta Effect of +1% Change in Rate of Salary Increase	3.25	2.84
Delta Effect of -1% Change in Rate of Salary Increase	(3.06)	(2.45)
Change in Employee Turnover Rate		
Delta Effect of +1% Change in Rate of Employee Turnover	(0.48)	(0.62)
Delta Effect of -1% Change in Rate of Employee Turnover	0.57	0.75

These plans typically expose the Company to following risks:

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

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

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

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

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

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

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2023

(ix) Maturity Analysis of the Benefit Payments: From the Fund

(₹ in Millions)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Projected benefits payable in future years from the date of reporting :		
1 st Following Year	0.95	0.14
2 nd Following Year	0.26	0.16
3 rd Following Year	0.28	0.19
4 th Following Year	0.32	0.20
5 th Following Year	0.35	0.23
Sum of Years 6 To 10	2.25	1.48
Sum of Years 11 and above	102.48	77.77

B) Defined Contributions Plans

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

(₹ in Millions)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Contribution to provident fund	12.17	6.68
Contribution to ESIC	0.93	0.79
Contribution to labour welfare fund	0.03	0.02
Contribution to EPS	6.17	5.18
Contribution to NPS	1.10	0.59
Total	20.39	13.26

NOTE 25 : DEPRECIATION, AMORTIZATION AND IMPAIRMENT

(₹ in Millions)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation on property, plant and equipment and Right of use *	66.78	37.87
Amortization of intangible assets	13.62	4.88
Total	80.40	42.75

* Depreciation includes depreciation on right of use assets (Refer note 11)

NOTE 26 : OTHER EXPENSES

(₹ in Millions)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Advertisement & Marketing Expenses (Including branding)	558.44	960.48
Books & Periodicals Charges	1.06	0.51
Exchange and Statutory Charges *	173.09	67.51
Bank Charges	1.57	14.45
Communication Expense	32.38	56.76
Electricity Charges	13.48	10.07
Professional Charges	317.31	354.66

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2023

(₹ in Millions)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Office Expenses	97.37	100.22
Meeting, Seminar & Subscription Charges	1.26	1.44
Directors Remuneration/Sitting Fees	1.67	1.61
Postage And Courier	0.93	0.68
Printing And Stationery	1.65	1.13
Bad-Debts written off	51.79	-
Expected Credit Loss	34.77	108.18
Insurance	0.41	0.34
Rates & Taxes	1.52	1.59
Repairs & Maintenance		
- Computer	0.21	1.15
- Others	1.45	1.24
Remuneration To Auditors :		
- As Auditors - Statutory Audit	1.30	1.30
- Certification Work And Other Matters	0.16	0.39
- Out Of Pocket Expenses	-	0.38
Software Charges	605.05	406.05
Travelling and Conveyance	16.07	9.39
Loss On Sale Of Property, Plant And Equipment	-	0.15
Loss On Financial Assets Measured At Fair Value Through Profit & Loss Account	11.08	-
Corporate Social Responsibility Expense (Refer note 36)	2.16	-
Miscellaneous Expenses	0.36	0.81
Total	1,926.54	2,100.47

*In adherence to the Exchange directives vide their circulars no. NSE/INSP/4519 dated July 31, 2020 and NSE/INSP/49929 dated October 12, 2021, the company had reversed an amount of ₹ 709 lacs to its eligible clients during the year, being the amount recovered from such clients on account of penalty levied by clearing corporation on company for "Short Collection/Non-collection of upfront margins from the client".

NOTE 27 : INCOME TAX

Amount Recognised in profit or (loss)

(₹ in Millions)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Current tax expenses		
Current Year	82.91	-
Changes in estimates related to prior years	-	-
Deferred tax expenses		
Origination and reversal of temporary differences	61.67	51.37
Total (i) + (ii)	144.58	51.37

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2023

Reconciliation of effective tax rates :

(₹ in Millions)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit before tax	577.55	199.72
Tax using domestic tax rates	25.17%	25.17%
Tax amount	145.36	50.26
Tax effect of :		
Non-deductible expenses	0.58	1.11
Tax-exempt income	(1.12)	-
Recognition of previously unrecognised deductible temporary differences	(0.24)	-
Total Income Tax Expense	144.58	51.37

NOTE 28 : EARNING PER SHARE (EPS)

(₹ in Millions)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Face value of equity shares in ₹ fully paid up	10	10
BASIC		
Profit after tax as per statement of profit and loss (A)	432.97	148.35
Weighted average number of equity shares outstanding (B)	30,214,614	29,112,826
Basic Earning per Share (₹) A/B	14.33	5.10
DILUTED		
Weighted average number of equity shares for computation of basic EPS	30,214,614	29,112,826
Add: Potential equity shares on account conversion of Employees Stock Options	178,274	260,874
Weighted average number of equity shares for computation of diluted EPS (C)	30,392,888	29,373,701
Diluted Earning per Share (₹) A/C	14.25	5.05

NOTE 29 :- CAPITAL, OTHER COMMITMENTS AND CONTINGENT LIABILITIES AT BALANCE SHEET DATE:

Capital and other commitment

(₹ in Millions)

Particulars	March 31, 2023	March 31, 2022
(i) Capital Commitment	10.87	65.32
(ii) Other Commitment	-	-

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2023

Contingent Liabilities

Particulars	(₹ in Millions)	
	March 31, 2023	March 31, 2022
(i) Bank Guarantees	4,970.00	2,000.00
(ii) In respect of Legal Case/Penalties	2.27	-
Total	4,972.27	2,000.00

NOTE 30 :- ASSETS PLEDGED AS SECURITY

The carrying amounts of assets pledged as security for borrowings are:

Particulars	(₹ in Millions)	
	As at March 31, 2023	As at March 31, 2022
Financial assets		
First charge		
Fixed Deposits - lien marked	2,667.55	3,185.40
Other financial assets	2,378.85	3,101.99
Total assets pledged as security	5,046.40	6,287.39

NOTE 31:- FINANCIAL RISK MANAGEMENT

31 A.1. Credit Risk

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

Credit quality analysis

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

Particulars	(₹ in Millions)			
	As at March 31, 2023			
	Financial Assets where loss allowance measured at 12-month ECL	Financial assets for which credit risk has increased significantly and credit not impaired	Financial assets for which credit risk has increased significantly and credit impaired	Total
Trade receivables	0.47	-	-	0.47
Less : Impairment loss allowance	-	-	-	-
Carrying amount	0.47	-	-	0.47
Other Financial Assets	1,263.80	47.94	170.70	1,482.45
Less : Impairment loss allowance	-	(19.18)	(170.70)	(189.88)
Carrying amount	1,264.27	28.77	-	1,293.04

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2023

(₹ in Millions)

Particulars	As at March 31, 2022			Total
	Financial Assets where loss allowance measured at 12-month ECL	Financial assets for which credit risk has increased significantly and credit not impaired	Financial assets for which credit risk has increased significantly and credit impaired	
Trade receivables	-	-	-	-
Less : Impairment loss allowance	-	-	-	-
Carrying amount	-	-	-	-
Other Financial Assets	984.55	185.46	56.51	1,226.53
Less : Impairment loss allowance	-	(98.73)	(56.51)	(155.24)
Carrying amount	984.55	86.73	-	1,071.29

Movement of ECL (Trade receivable and other financial assets)

(₹ in Millions)

Particulars	Financial assets for which credit risk has increased significantly and credit not impaired		Financial assets for which credit risk has increased significantly and credit impaired		Total
March 31, 2021		29.43		18.28	47.71
Increase/(Decrease) net		69.30		38.23	107.53
March 31, 2022		98.73		56.51	155.24
Increase/(Decrease) net		(79.55)		114.19	34.64
March 31, 2023		19.18		170.70	189.88

31 A.2. Collateral held

The Company holds collateral of securities in form of share, mutual funds and other credit enhancements against its credit exposures.

31 A.3. Measurement of Expected Credit Loss

The Company has applied the impairment requirements of Ind AS 109 and has used reasonable and supportable information on best efforts basis and that is available without undue cost or effort to determine the credit risk at the reporting date.

31 B. Liquidity risk

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

The table below analyse the company financial liability into relevant maturity companying based on their contractual maturity. The amount disclosed in the table are the contractual undiscounted cash flows. Balance due within 1 year equals their carrying balances as the impact of discounting is not significant.

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2023

(₹ in Millions)

Particulars	Carrying amount up to 1 year		Carrying amount from 1 year to 5 year	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Trade payables & other payable	578.94	525.86	-	-
Working capital demand Loan	300.00	-	-	-
Loan from related parties	-	-	-	-
Bank overdraft	1,392.83	2,789.76	-	-
Other financial liabilities	9,384.68	8,909.46	6.73	11.59
Total	11,656.45	12,225.08	6.73	11.59

31 C. Market risk

Market risk is the risk of any loss in future earnings, in realizable fair values or in futures cash flows that may result from a change in the price of a financial instrument.

31 C.1. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest rate change does not affect significantly short term borrowing and current investment therefore the Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt and Non current investment.

Company business is volatile and hence borrowings are done based on requirement, generally borrowings are done for short term and are on market based interest rate

The following table shows sensitivity analysis for impact on interest cost.

(₹ in Millions)

Particulars	As at March 31, 2023	As at March 31, 2022
Bank overdraft	1,392.83	2,789.76
Working capital demand loan	300.00	-
Applicable rate & 12 months weighted average rate	7.83%	6.50%
Annualised interest cost	162.67	198.79

Sensitivity analysis for impact on interest cost

(₹ in Millions)

Particulars	As at March 31, 2023	As at March 31, 2022
Increase in 1% change in ROI	17.58	27.90
Decrease in 1% change in ROI	(17.58)	(27.90)

31 C.2. Fair value sensitivity analysis for fixed-rate instruments

The Company does not have any fixed-rate instruments presented in financial liabilities.

31 C.3. Exposure to currency risks

The Company does not have any exposure to foreign exchange risk arising from foreign currency transaction.

31 C.4. Exposure to derivative risks

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

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2023

31 C.5. Exposure to Price Risk

The Company exposure to price risk arising from investment held by the company and is classified in the balance sheet through fair value through profit & loss account. Company has investment in Exchange Traded Funds under various scheme and its exposure.

Particulars	(₹ in Millions)
	Exchange Traded Fund
Market Value as on March 31, 2023	64.08
Market Value as on March 31, 2022	122.10

The effect of upward movement of 5% in the price affects the projected net income by ₹ 3.20 million and for forward downward movement of 5% the projected net loss will be ₹ 3.20 million for FY 2023-24.

31 D. Capital Management

The company's objective when managing capital are to

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

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

The company's strategy is to maintain gearing ratio as per industry norms. The gearing ratio is as follows:

Particulars	(₹ in Millions)	
	March 31, 2023	March 31, 2022
Total debt	1,692.83	2,789.76
Cash & cash equivalent (excluding client bank balance)	(5.06)	(3.13)
Net debt	1,687.77	2,786.62
Total equity	4,667.70	3,777.54
Net debt to equity	0.36	0.74

31 E. Fair values of financial instruments

The company measures fair values using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements.

- Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.
- Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs that are not observable and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments

The company uses widely recognised valuation models to determine the fair value of common and simple financial instruments, such as interest rate and currency swaps, that use only observable market data and require little management judgement and estimation. Observable prices or model inputs are usually available in the market for listed debt and equity securities, exchange-traded derivatives and simple OTC derivatives such as interest rate swaps. The availability of observable market prices and model inputs reduces the need for management judgement and estimation and also reduces the uncertainty associated with determining fair values.

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2023

The following table analyses financial instruments measured at fair value at the reporting date, by the level in the fair value hierarchy into which the fair value measurement is categorised.

The amounts are based on the values recognised in the statement of financial position. The fair values include any deferred differences between the transaction price and the fair value on initial recognition when the fair value is based on a valuation technique that uses unobservable inputs.

31 E.1. : Fair Value of Financial Instruments - Financial Instrument by Category

(₹ in Millions)

Particulars	As at March 31, 2023			As at March 31, 2022		
	Fair Value through Profit or loss	Amortised Cost	Carrying Value	Fair Value through Profit or loss	Amortised Cost	Carrying Value
Financial Asset						
(a) Cash and cash equivalents	-	201.11	201.11	-	888.79	888.79
(b) Bank balance other than (a) above	-	12,801.71	12,801.71	-	11,111.03	11,111.03
(c) Receivables						
(I) Trade receivables	-	0.47	0.47	-	-	-
(II) Other receivables	-	-	-	-	-	-
(d) Loans	-	1,726.54	1,726.54	-	2,516.53	2,516.53
(e) Investments						
(i) Investment in equity shares of subsidiaries	-	78.50	78.50	-	73.50	73.50
(ii) Exchange Traded Fund	64.08	-	64.08	122.10	-	122.10
(f) Other financial assets	-	1,292.57	1,292.57	-	1,071.29	1,071.29
Total	64.08	16,100.90	16,164.98	122.10	15,661.14	15,783.24
Financial Liabilities						
(a) Trade payables	-	11.59	11.59	-	9.79	9.79
(b) Other payables	-	567.35	567.35	-	516.07	516.07
(c) Borrowings (Other than debt securities)	-	1,692.83	1,692.83	-	2,789.76	2,789.76
(d) Other financial liabilities	-	9,391.41	9,391.41	-	8,921.05	8,921.05
Total	-	11,663.18	11,663.18	-	12,236.67	12,236.67

31 E.2. Financial instruments measured at fair value – Fair value hierarchy

(₹ in Millions)

Financial instruments measured at fair value	Recurring fair value measurements as at March 31, 2023			
	Level 1	Level 2	Level 3	Total
Exchange Traded Fund	64.08	-	-	64.08
Total Assets	64.08	-	-	64.08

(₹ in Millions)

Financial instruments measured at fair value	Recurring fair value measurements as at March 31, 2022			
	Level 1	Level 2	Level 3	Total
Exchange Traded Fund	122.10	-	-	122.10
Total Assets	122.10	-	-	122.10

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2023

31 E.3. Financial instruments not measured at fair value

The following table sets out the fair values of financial instruments not measured at fair value and analyses them by the level in the fair value hierarchy into which each fair value measurement is categorised.

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Company's Financial Statement. These fair value is calculated for disclosures purpose only.

Short Term financial assets and liabilities

For Financial assets and liabilities that have a short term nature, the carrying amount, which is net of impairment, are a reasonable approximation of their fair value. Such instruments include cash and bank balances, trade receivables, other receivables, balances other than cash and cash equivalents and trade payables.

(₹ in Millions)

Particulars	As at March 31, 2023		
	Carrying Value	Fair Value	Fair Value Hierarchy
Assets			
Investment in Equity Share of Subsidiaries (at cost)	78.50	78.50	-
Cash and cash equivalents	201.11	201.11	-
Bank balance	12,801.71	12,801.71	-
Trade and other receivable	0.47	0.47	-
Loans	1,726.54	1,726.54	-
Security deposit with Landlord	13.47	13.47	Level 3
Other financial asset	1,279.10	1,279.10	-
Total Assets	16,100.90	16,100.90	-
Liabilities			
Borrowings	1,692.83	1,692.83	-
Trade and other payables	578.94	578.94	-
Other financial liabilities	9,391.41	9,391.41	-
Total Liabilities	11,663.18	11,663.18	-

(₹ in Millions)

Particulars	As at March 31, 2022		
	Carrying Value	Fair Value	Fair Value Hierarchy
Assets			
Investment in Equity Share of Subsidiaries (at cost)	73.50	73.50	-
Cash and cash equivalents	888.79	888.79	-
Bank balance	11,111.03	11,111.03	-
Trade and other receivable	-	-	-
Loans	2,516.53	2,516.53	-
Security deposit with Landlord	12.80	12.80	Level 3
Other financial asset	1,058.49	1,058.49	-
Total Assets	15,661.14	15,661.14	-
Liabilities			
Borrowings	2,789.76	2,789.76	-
Trade and other payables	525.86	525.86	-
Other financial liabilities	8,921.05	8,921.05	-
Total Liabilities	12,236.67	12,236.67	-

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2023

31 E.4. Movements In Level 1 Financial Instruments Measured At Fair Value :

(₹ in Millions)

Particulars	Exchange Traded Fund
Balances as at April 1, 2022	122.10
Purchase	1,838.13
Sale/Redemption of financial instrument	(1,888.47)
Total gain/(losses) recognised in profit and loss	(7.68)
Balances as at March 31, 2023	64.08

(₹ in Millions)

Particulars	Exchange Traded Fund
Balances as at April 1, 2021	51.53
Purchase	311.91
Sale/Redemption of financial instrument	(241.27)
Total gain/(losses) recognised in profit and loss	(0.07)
Balances as at March 31, 2022	122.10

31 E.5. Measurement of fair value

The fair Values of Investments in Exchange Traded Funds is based on last traded price as at the Balance Sheet date.

The table which shows the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used is as follows:

Type	Valuation technique	Significant unobservable inputs	Range	Sensitivity of the input to fair value Change in discount rate by 500 basis points would increase/ (decrease) as below
Financial Assets:				
Investment in Exchange Traded Funds	Exchange Traded Fund fair value is using input based on information /other data that are available.	Not Applicable	Not Applicable	Not Applicable

NOTE 32 : SEGMENT REPORTING

In the opinion of the management, there is only one reportable business segment as envisaged by Ind AS 108 on 'Operating Segment' issued by Institute of Chartered accountant of India. Accordingly, no separate disclosure for segment reporting is required to be made in the financial statements of the Company. Secondary segmentation based on geography has not been presented as the Company operates primarily in India and the Company perceives that there is no significant difference in its risk and returns in operating from different geographic areas within India.

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2023

NOTE 33 : RELATED PARTY TRANSACTION

As Per IND AS 24, the disclosures of transaction with the related parties are given below :

(A) List of related parties where control exists

Relationship	Name of the related party
Directors & its Relatives	Mr Prakarsh Gagdani- Whole Time Director & CEO
	Mr Gourav Munjal- Whole Time Director & CFO
	Dr.Archana Hingorani - Independent Director (w.e.f. Jun 07, 2017)
	Mrs Nirali Sanghi - Independent Director (w.e.f. Jan 11, 2018)
	Mr Milin Mehta - Independent Director (w.e.f. Apr 01, 2020)
	Mr Ravindra Garikipati - Independent Director (w.e.f. Sep 03, 2020)
Key Management Personnel	Mrs Namita Godbole- Company Secretary
Subsidiaries	5Paisa P2P Limited
	5paisa Corporate Services Limited (Formerly known as 5Paisa Insurance Brokers Limited)***
	5paisa International Securities (IFSC) Limited (Incorporated on 15/06/2022)
	5Paisa Trading Limited
Other Related Parties	IIFL Finance Limited
	IIFL Securities Limited
	IIFL Commodities Limited
	IIFL Management Services Limited
	Livlong Insurance Brokers Limited (Formerly, IIFL Insurance Brokers Limited)
	Livlong Protection & Wellness Services Limited (Formerly known as IIFL Corporate Services Limited)
	360 One WAM Limited (Formerly known as IIFL Wealth Management Limited)
	IIFL Facilities Services Limited
	IIFL Wealth (UK) Limited
	IIFL Capital Inc
	IIFL Open Fintech Private Limited
	IIFL Sales Limited**
	IIFL Home Finance Limited
	IIFL Samasta Finance Limited
	360 ONE Capital PTE. LTD. (Formerly known as IIFL Capital PTE. Limited)
	360 ONE Asset Management Limited (Formerly Known as IIFL Asset Management Limited)
	IIFL Wealth Prime Limited (Formerly known as IIFL Wealth Finance Limited)
	360 ONE Asset Trustee Limited (Formerly known as IIFL Trustee Limited)
	IIFL Wealth Distribution Services Limited (Formerly known as IIFL Distribution Services Limited)
	360 ONE Investment Adviser and Trustee Services Limited (Formerly known as IIFL Investment Adviser and Trustee Services Limited)
	360 ONE Private Wealth (Dubai) Limited (formerly known as IIFL Private Wealth Management Dubai Limited)
	360 ONE Asset Management (Mauritius) Limited (Formerly known as IIFL Asset Management (Mauritius) Limited)
	360 ONE INC (Formerly known as IIFL INC)
	360 ONE Capital (Canada) Limited (Formerly known as IIFL Capital (Canada) Limited)
	360 ONE IFSC Limited (Formerly known as IIFL Wealth Securities IFSC Limited)
	IIFL Securities Services IFSC Limited
	360 ONE Portfolio Managers Limited (Formerly known as IIFL Wealth Portfolio Managers Limited)
	IIFL Wealth Altiore Limited (Formerly known as IIFL Altiore Advisors Limited) (Amalgamated with 360 ONE WAM Limited w.e.f. March 03, 2023)

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2023

Relationship	Name of the related party
	IIFL Wealth Capital Markets Limited (Formerly Known as L&T Capital Markets Limited) (Amalgamated with IIFL Wealth Prime Limited w.e.f. March 14, 2023)*
	Meenakshi Towers LLP
	India Infoline Foundation
	MAVM Angels Network Private Limited
	Shreyans Foundations LLP
	MNJ Consultants Private Limited
	India Infoline Employee Trust
	Nirmal Madhu Family Private Trust
	Sunder Bhanwar Ventures Private Limited
	360 One Foundation (Formerly known as IIFLW CSR Foundation)
	Mr. Venkataraman Rajamani
	Mrs. Aditi Athavankar (wife of Venkataraman Rajamani)
	Mr. Nirmal Jain
	Mrs. Madhu Jain (wife of Nirmal Jain)
	Mrs. Aditi Athavankar (in capacity of Kalki Family Private Trust)
	Orpheus Trading Pvt. Limited
	Ardent Impex Pvt Limited
	Sharad Gagdani
	Prakarsh Sharad Gagdani - HUF
	Mrs Kalpana Gagdani (mother of Prakarsh Gagdani)
	Mrs Punam Gagdani (wife of Prakarsh Gagdani)

* IIFL Wealth Capital Markets Limited is Step-Down Subsidiary of IIFL Wealth Management Limited.

** IIFL Sales Limited is Step-down Subsidiary of IIFL Finance Limited

*** Name of 5paisa Insurance Brokers Limited changed to 5paisa Corporate Services Limited with effect from November 16, 2022

(B) Significant transactions with related parties during the year

Nature of transaction	₹ in Millions)	
	2022-23	2021-22
Referral Income/Service Income/Brokerage Income/Depository Participate Income. etc. :-		
a) Other Related Parties		
IIFL Asset Management Limited	-	0.00
b) Directors, Key Managerial Persons & their relatives		
Mr Prakarsh Gagdani	0.03	0.00
Mr Gourav Munjal	0.00	0.00
Mrs Namita Godbole	0.00	-
Prakarsh Sharad Gagdani - HUF	0.00	0.00
Mrs Kalpana Gagdani	0.03	0.01
Mrs Punam Gagdani	0.00	0.00
Mr Sharad Muralidhar Gagdani	0.00	-
Advisory Fees:		
a) Other Related Parties		
IIFL Securities Limited	-	47.72
Security Deposit :		
a) Other Related Parties		
IIFL Facilities Services Limited	7.81	7.81
IIFL Securities Limited	3.53	3.07
IIFL Management Services Limited	0.05	-

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2023

(₹ in Millions)

Nature of transaction	2022-23	2021-22
Remuneration:		
Mr. Prakarsh Gagdani	17.57	12.81
Mr. Gourav Munjal	5.12	4.77
Mrs. Namita Godbole	5.11	4.84
Sitting Fees:		
Dr. Archana Hingorani	0.38	0.45
Mrs Nirali Sanghi	0.41	0.36
Mr Milin Mehta	0.41	0.42
Mr Ravindra Garikipati	0.24	0.23
Rent Expense :		
a) Other Related Parties		
IIFL Facilities Services Limited	17.97	16.41
IIFL Securities Limited	6.18	6.14
IIFL Management Services Limited	0.05	-
Interest Expenses Inter Corporate Deposit:		
a) Other Related Parties		
IIFL Finance Limited	34.72	50.73
Inter Corporate Deposit Taken :		
a) Other Related Parties		
IIFL Finance Limited	7,000.00	6,000.00
Inter Corporate Deposit Repaid :-		
a) Other Related Parties		
IIFL Finance Limited	7,000.00	6,000.00
Allocation / Reimbursement of expenses Paid :		
a) Other Related Parties		
IIFL Finance Limited	15.53	8.71
IIFL Facilities Services Limited	14.57	10.37
IIFL Management Services Limited	-	0.00
IIFL Home Finance Limited	0.02	0.00
IIFL Securities Limited	54.53	56.94
Allocation / Reimbursement of expenses Received :		
a) Other Related Parties		
IIFL Securities Limited	13.97	-
IIFL Finance Limited	0.42	0.42
IIFL Home Finance Limited	0.18	-
Others Paid :		
a) Subsidiary		
5Paisa P2P Limited	-	0.37
b) Other Related Parties		
IIFL Securities Limited	2.13	2.37
IIFL Finance Limited	2.01	1.00
IIFL Home Finance Limited	0.22	0.33
Livlong Insurance Brokers Limited	0.07	-
Livlong Protection & Wellness Services Limited	0.02	-
Others Received :		
a) Subsidiary		
5Paisa P2P Limited	0.02	1.29

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2023

Nature of transaction	(₹ in Millions)	
	2022-23	2021-22
b) Other Related Parties		
Livlong Insurance Brokers Limited	0.00	0.11
IIFL Securities Limited	3.71	2.53
IIFL Management Services Limited	0.09	-
IIFL Home Finance Limited	0.48	0.87
IIFL Finance Limited	2.19	3.27
IIFL Facilities Services Limited	0.02	-
Livlong Protection & Wellness Services Limited	0.59	0.49

(C) Closing Balance

Nature of transaction	(₹ in Millions)	
	2022-23	2021-22
Sundry Payable :		
a) Subsidiary		
5Paisa P2P Limited	-	0.01
b) Other Related Parties		
IIFL Facilities Services Limited	-	0.81
IIFL Management Services Limited	0.03	-
IIFL Securities Limited	-	3.71
c) Directors & Relatives		
Mr Prakarsh Gagdani	0.08	0.02
Mr Gourav Munjal	-	0.00
Mrs Kalpana Gagdani	0.02	0.09
Mr Prakarsh Gagdani HUF	0.00	0.15
Security Deposit		
a) Other Related Parties		
IIFL Securities Limited	3.53	3.07
IIFL Facilities Services Limited	7.81	7.81
IIFL Management Services Limited	0.05	-
Sundry Receivable :		
a) Other Related Parties		
IIFL Finance Limited	0.19	1.69
IIFL Home Finance Limited	-	0.06
IIFL Securities Limited	6.98	-
Livlong Insurance Brokers Limited	-	0.04
Livlong Protection & Wellness Services Limited	0.69	0.58
b) Director & Relatives		
Mr Gourav Munjal	0.00	-
Mrs Punam Gagdani	0.00	0.00
Mr Sharad Gagdani	0.00	-
Mrs Namita Godbole	0.00	0.00

@Amount is less than ₹ 0.01 million, hence shown ₹ 0.00 million.

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2023

NOTE: 34. The Company has implemented Employee Stock Option Scheme 2017 (ESOP Scheme) and has outstanding options granted under the said scheme. The options vest in a graded manner and are required to be exercised within specified period as per the terms of the grant approved by the Nomination and Remuneration Committee of the Company and conditions of the ESOP Scheme.

a) The details of various Employee Stock Option Schemes are as under:

Particulars	ESOP 2017
Method of Accounting	Fair Value of options
Vesting Plan	Options granted would vest over a period of five years subject to minimum period of one year from the date of grant of options.
Exercise Period	Seven Years from the grant date

b) Movement of options during the year ended March 31, 2023

Particulars	Option Outstanding (in numbers)	Range of exercise Price (in ₹)*	Weight average exercise price (in ₹)	Weight average remaining contractual life (in Years)
Outstanding as on March 31, 2021	765,750	157.30 to 282	-	4.84
Exercisable as on March 31, 2021	765,750	157.30 to 282	-	-
Granted during the year	197,500	398 to 530	-	-
Forfeited during the year	-	-	-	-
Expired/Lapsed during the year	112,500	-	-	-
Exercised during the year **	84,000	157.53 to 194	162.96	-
Outstanding as on March 31, 2022	766,750	157.30 to 530	-	5.30
Exercisable as on March 31, 2022	766,750	157.30 to 530	-	-
Granted during the year	231,600	284 to 371	-	-
Forfeited during the year	-	-	-	-
Expired/Lapsed during the year	82,750	-	-	-
Exercised during the year **	18,250	157.53 to 194	172.52	-
Outstanding as on March 31, 2023	897,350	157.30 to 530	-	5.84
Exercisable as on March 31, 2023	897,350	157.30 to 530	-	-

*Exercise price has been calculated after giving effect of additional options granted to employee consequent to rights issue as approved by the board.

** During the year 18,250 options (Previous year 84,000 options) has been exercised by the employee.

(c) The Company has granted 231,600 options during the year.

Fair Value Methodology

The fair value of the Options granted has been estimated using the Black-Scholes option pricing Model. Each tranche of vesting have been considered as a separate grant for the purpose of valuation.

Stock Price: The fair value of the underlying stock based on the latest available closing Market Price on NSE has been considered for valuing the grant.

Volatility: Volatility is a measure of the amount by which a price has fluctuated or is expected to fluctuate during the period. The measure of volatility is used in the Black Scholes option-pricing model is the annualized standard deviation of the continuously compounded rates of return on the stock over a period of time.

The period to be considered for volatility has to be adequate to represent a consistent trend in the price movements. It is also important that movement due to abnormal events get evened out. There is no research that demonstrates conclusively how long the historical period used to estimate expected long-term future volatility should be. However, informal tests and preliminary research tends to confirm that estimates of expected future long term volatility should be based on historical volatility for a period that approximates the expected life of the options being valued.

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2023

Risk-free rate of return: The risk-free rate being considered for the calculation is the interest rate applicable for a maturity equal to the expected life of the options based on the zero-coupon yield curve for Government Securities.

Exercise Price: The Exercise Price as communicated to us by the management of the Company have been considered in the valuation.

Time to Maturity: Time to Maturity / Expected Life of Options is the period for which the Company expects the Options to be live. The minimum life of a stock option is the minimum period before which the Options cannot be exercised and the maximum life is the period after which the Options cannot be exercised.

Expected dividend yield: The management's representation of the Expected dividend yield of 0% has been accepted for the purpose of this valuation.

NOTE 35:- THE TABLE BELOW SHOWS AN ANALYSIS OF ASSETS AND LIABILITIES ANALYED ACCORDING TO WHEN THEY ARE EXPECTED TO BE RECOVERED OR SETTLED.

Particulars	(₹ in Millions)					
	As at March 31, 2023			As at March 31, 2022		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS						
(1) Financial Assets						
(a) Cash and cash equivalents	201.11	-	201.11	888.79	-	888.79
(b) Bank Balance other than (a) above	12,241.91	559.80	12,801.71	10,891.73	219.30	11,111.03
(c) Receivables						
(I) Trade receivables	0.47	-	0.47	-	-	-
(II) Other receivables	-	-	-	-	-	-
(d) Loans	1,726.54	-	1,726.54	2,516.53	-	2,516.53
(e) Investments	64.08	78.50	142.58	122.10	73.50	195.60
(f) Other financial assets	1,235.54	57.03	1,292.57	1,013.18	58.11	1,071.29
Sub-total	15,469.65	695.33	16,164.98	15,432.33	350.91	15,783.24
(2) Non-Financial Assets						
(a) Current tax assets (net)	0.15	-	0.15	17.87	22.31	40.18
(b) Deferred tax assets (net)	-	58.53	58.53	-	119.31	119.31
(c) Property, Plant and Equipment	-	92.14	92.14	-	70.28	70.28
(d) Right to use assets	-	21.31	21.31	-	22.96	22.96
(f) Capital work-in-progress	-	-	-	-	2.27	2.27
(e) Other intangible assets	-	40.94	40.94	-	10.29	10.29
(f) Other non-financial assets	66.87	-	66.87	51.45	-	51.45
Sub-total	67.02	212.92	279.94	69.32	247.42	316.74
Total Assets	15,536.67	908.25	16,444.92	15,501.65	598.33	16,099.98
LIABILITIES						
(1) Financial Liabilities						
(a) Payables						
(I) Trade payables						
(i) Total outstanding dues of micro enterprises and small enterprises	0.34	-	0.34	0.03	-	0.03
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	11.25	-	11.25	9.76	-	9.76

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2023

(₹ in Millions)

Particulars	As at March 31, 2023			As at March 31, 2022		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
(II) Other payables						
(i) Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	567.35	-	567.35	516.07	-	516.07
(b) Borrowings (Other than debt securities)	1,692.83	-	1,692.83	2,789.76	-	2,789.76
(c) Other financial liabilities	9,384.68	6.73	9,391.41	8,909.46	11.59	8,921.05
Sub-total	11,656.45	6.73	11,663.18	12,225.08	11.59	12,236.67
(2) Non-Financial Liabilities						
(a) Current tax Liabilities (net)	12.54	-	12.54	-	-	-
(b) Provisions	15.66	-	15.66	11.21	-	11.21
(b) Other non-financial liabilities	85.84	-	85.84	74.56	-	74.56
Sub-total	114.04	-	114.04	85.77	-	85.77
Total Liabilities	11,770.49	6.73	11,777.22	12,310.85	11.59	12,322.44
Net	3,766.18	901.52	4,667.70	3,190.80	586.74	3,777.54

NOTE 36 : CORPORATE SOCIAL RESPONSIBILITY

During the period ended March 31, 2023 the Company has spent ₹ 2.16 million out of the total amount of ₹ 2.16 million required to be spent as per section 135 of the Companies Act 2013 in respect of Corporate Social Responsibility [CSR]. The aforementioned amount has been contributed to India Infoline Foundation & other institutions.

(₹ in Millions)

Particulars	As at March 31, 2023	As at March 31, 2022
Amount required to be spent by the company during the year	2.16	N.A.
Amount of expenditure incurred	2.16	N.A.
Shortfall at the end of the year	-	N.A.
Total of previous years shortfall	N.A.	N.A.
Reason for shortfall	N.A.	N.A.
Nature of CSR activities	1. Promoting education 2. Training to promote National recognized sports 3. Promoting health care	N.A.
Details of related party transactions	Contributed to India Infoline Foundation, Child HELP Foundation	N.A.

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2023

NOTE 37 :

1. The wholly owned subsidiary of the Company namely 5paisa P2P Limited ("the Company") was incorporated on December 17, 2017 with the objective to provide an online marketplace to the participants involved in peer to peer lending and also to act as a distributor of financial products. The company has received approval from RBI to commence its business as NBFC P2P and the company has started its P2P business operations.
2. The Wholly owned subsidiary of the Company namely 5Paisa Corporate Services Limited (Formerly Known as 5Paisa Insurance Brokers Limited) was incorporated on Oct 27, 2018 has applied with IRDA for undertaking the activities of Insurance Brokers & awaiting for approval.
3. The wholly owned subsidiary of the Company namely 5paisa Trading Limited had incorporated on February 27, 2020.
4. The wholly owned subsidiary of the Company namely 5Paisa International Securities (IFSC) Limited had incorporated on June 15, 2022. We are in the process of seeking necessary licenses/registrations to initiate operations in this company.

NOTE 38 : -

The Company operates from and uses the premises, infrastructure and other facilities and services as provided to it by group companies which are termed as 'Shared Services'. Such shared services consisting of administrative and other revenue expenses paid for by the company were identified and recovered from them based on reasonable management estimates, which are constantly refined in the light of additional knowledge gained relevant to such estimation. These expenses are recovered on an actual basis and the estimates are used only where actual were difficult to determine.

NOTE 39 :- CODE ON SOCIAL SECURITY

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

NOTE 40 : RATIOS

Additional regulatory information required under (WB)(xvi) of Division III of Schedule III amendment, disclosure of ratios, is not applicable to the Company as it is in broking business and not an NBFC registered under Section 45-IA of Reserve Bank of India Act, 1934.

NOTE 41: ADDITIONAL REGULATORY INFORMATION AS PER DIVISION III SCHEDULE III OF COMPANIES ACT, 2013

- a) No funds have been advanced or loaned or invested by the company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- b) No funds have been received by the company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- c) The Company does not have any long-term contracts including derivative contracts for which there are any material foreseeable losses.
- d) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- e) No proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988).
- f) The Company has not been declared as wilful defaulter by any bank or financial Institution or other lender.
- g) During the year, the company has not entered into any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
- h) There are no transactions which have not been recorded in the books of accounts and which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2023

- i) The quarterly returns / statements of current assets filed by the Company, with banks from whom borrowings have been availed on the basis of security of current assets, are in agreement with the books of account.
- j) There are no charges or satisfaction yet to be registered with the registrar of companies beyond the statutory period.
- k) The company does not have layers beyond the number prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.
- l) The company has not traded or invested in Crypto Currency or Virtual Currency during the financial year.

NOTE 42 :- RECENT PRONOUNCEMENTS

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

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

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors - This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company

has evaluated the amendment and there is no impact on its standalone financial statements.

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

NOTE 43 - ACQUISITION OF "ONLINE RETAIL TRADING BUSINESS" OF IIFL SECURITIES

The Board of the holding company in its meeting held on Tuesday, December 06, 2022 had considered and approved the scheme of arrangement between IIFL Securities Limited ("Demerged Company") and 5paisa Capital Limited ("Resulting Company") and their respective shareholders and creditors ("Scheme"). The scheme, inter alia, provides for the demerger, transfer and vesting of the Online Retail Trading Business of the demerged company into the resulting company, on a going concern basis (with effect from the appointed date April 01, 2023) and in consideration thereof, the resulting company shall issue its equity shares to the shareholders of the demerged company. These shares shall be listed on Bombay Stock Exchange Limited and the National Stock Exchange of India Limited (collectively referred to as "stock exchanges"). The scheme is, inter alia, subject to receipt of the statutory, regulatory and customary approvals, including approvals from stock exchanges, National Company Law Tribunal, Mumbai Bench and the shareholders and creditors of the companies involved in the scheme and the holding company is in the process of seeking the same.

NOTE 44 :- COMPARATIVES

Previous year figures are re-grouped, re-classified and re-arranged, wherever considered necessary to confirm to current year's presentation.

As per our report of even date

For V Sankar Aiyar & Co.

Chartered Accountants

Firm's Registration No.109208W

By the hand of

Asha Patel

Partner

Membership No.: 166048

Place: Mumbai

Dated: May 01, 2023

For and on behalf of Board of Directors

Prakarsh Gagdani

Whole Time Director & CEO

(DIN: 07376258)

Gourav Munjal

Whole Time Director & CFO

(DIN: 06360031)

Namita Godbole

Company Secretary

Independent Auditor's Report

To the Members of 5paisa Capital Limited

Report on the Audit of the Consolidated Financial Statements

OPINION

We have audited the accompanying consolidated financial statements of 5paisa Capital Limited (hereinafter referred to as the 'Holding Company') and its subsidiary companies (Holding Company and its subsidiary companies together referred to as "the Group"), which comprise the consolidated Balance Sheet as at 31st March 2023, the consolidated Statement of Profit and Loss, consolidated Statement of Changes in Equity and the consolidated Cash Flows statement for the year then ended and notes to the financial statements, including and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act and the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2023, of consolidated profit, of consolidated comprehensive income, of consolidated changes in equity and its consolidated cash flows for the year then ended.

BASIS FOR OPINION

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

KEY AUDIT MATTERS

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

Key Audit Matter	Response to Key Audit Matter
Information technology (IT) systems used in financial reporting process. The Parent company's operational and financial processes are dependent on IT systems due to large volume of transactions that are processed daily. We therefore identified IT systems and controls over financial reporting as a key audit matter for the Parent Company.	We obtained an understanding of the Parent Company's IT control environment relevant to the audit. We tested the design, implementation and operating effectiveness of the Parent Company's General IT controls over the key IT systems which are critical to financial reporting. We also tested key automated and manual controls and logic for system generated reports relevant to the audit that would materially impact the financial statements. In addition to above, we have also relied on the work of the internal auditors and system auditors.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, but does not include the standalone and consolidated financial statements and our auditor's reports thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Companies Act, 2013 (the Act) that give a true and fair view of the consolidated financial position, consolidated financial

Independent Auditor's Report (Contd.)

performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

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

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from

error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company and its subsidiary companies which are companies incorporated in India, has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entity included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Independent Auditor's Report (Contd.)

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

OTHER MATTERS

We did not audit the financial statements of one subsidiary company whose financial statements reflect total assets of Rs. 47.92 Millions as at March 31, 2023, total revenues of Rs. 10.40 Millions, Total profit after tax of Rs. 2.02 Millions, Total Comprehensive Income of Rs. 2.02 Millions and net cash Outflow amounting to Rs. 0.78 Millions for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditor whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary company and our report in terms of sub-section (3) and (11) of section 143 of the Act, in so far as it relates to the aforesaid subsidiary company is based solely on the reports of the other auditors.

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditor on separate financial statements and the other financial information of subsidiary, as noted in the 'other matter' paragraph, to the extent applicable, that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid

consolidated financial statements have been kept so far as it appears from our examination of those books and report of other auditor.

- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated statement of changes in equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies, none of the directors of the Group companies incorporated in India is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the managerial remuneration paid by the Holding Company to its directors is in accordance with the provisions of section 197 of the Act. In our opinion and based on the consideration of reports of other statutory auditors of the subsidiary, no managerial remuneration for the year ended March 31, 2023 has been paid or provided by the subsidiary incorporated in India;

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Group has no pending litigations which may impact the consolidated financial position of the Group – Refer Note 29 of the financial statements;

Independent Auditor's Report (Contd.)

- ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses - Refer Note 41 (c) of the financial statements;
- iii. There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India - Refer Note 41 (d) of the financial statements;
- iv. (a) The respective managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiaries ("Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The respective managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of its knowledge and belief, no funds have been received by the respective Holding Company or any of such subsidiaries from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditors' notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.
- v. The group has neither declared nor paid any dividend during the year.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023 to the Company and its subsidiaries, which are companies incorporated in India, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.
2. With respect to the matters specified in paragraphs 3 (xxi) and 4 of the Companies (Auditor's Report) Order, 2020 ("CARO") issued by Central Government in terms of Section 143(11) of the Act, to be included in the Auditors report, according to the information and explanation given to us, and based on the CARO reports issued by us for the Holding Company and its three subsidiaries and by the statutory auditors of a subsidiary company, which are companies incorporated in India, included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

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

(Asha Patel)

Partner

(M.No.166048)

UDIN: 23166048BGUTEC5533

Place: Mumbai
 Date: May 1, 2023

Annexure to Auditor's Report

Annexure referred to in our report of even date to the members of 5paisa Capital Limited on the Consolidated Financial Statements for the year ended 31st March 2023

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

We have audited the internal financial controls over financial reporting of 5paisa Capital Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies (hereinafter collectively referred to as "the Group") as of March 31st, 2023 which are Companies incorporated in India, in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Board of Directors of the Holding Company and its subsidiary companies are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITORS' RESPONSIBILITY

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent and its subsidiary companies which are companies incorporated in India.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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



Annexure to Auditor's Report (Contd.)

OPINION

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditor referred to in the Other matter paragraph below, the Holding Company and subsidiary companies incorporated in India have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on

Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

OTHER MATTER

Our aforesaid reports under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to a subsidiary company incorporated in India, is based solely on the corresponding report of the auditors of said subsidiary company.

Our opinion is not modified in respect of the above matter.

Place: Mumbai
Date: May 1, 2023

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

(Asha Patel)

Partner

(M.No.166048)

UDIN: 23166048BGUTEC5533

Consolidated Balance Sheet

As at March 31, 2023

(₹ in Millions)

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
I ASSETS			
(1) Financial Assets			
(a) Cash and cash equivalents	3	209.30	894.12
(b) Bank balance other than (a) above	4	12,802.59	11,111.29
(c) Receivables			
(i) Trade receivables	5	0.78	0.28
(d) Loans	6	1,726.54	2,516.53
(e) Investments	7	81.49	140.06
(f) Other financial assets	8	1,302.68	1,080.79
Sub total		16,123.38	15,743.07
(2) Non-Financial Assets			
(a) Current tax assets		0.28	40.54
(b) Deferred tax assets (net)	9	70.69	131.85
(c) Property, Plant and Equipment	10 (a)	92.14	70.28
(d) Right of use assets	11	21.31	22.96
(e) Other intangible assets	10 (b)	41.56	18.45
(f) Intangible assets under development	10 (c)	-	2.27
(g) Other non-financial assets	12	66.93	56.22
Sub total		292.91	342.57
Total		16,416.29	16,085.64
II LIABILITIES AND EQUITY			
LIABILITIES			
(1) Financial Liabilities			
(a) Payables			
(i) Trade payables			
(i) Total outstanding dues of micro enterprises and small enterprises	13	0.34	0.03
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	13	11.38	12.98
(ii) Other payables			
(i) Total outstanding dues of micro enterprises and small enterprises		-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	13	568.29	527.71
(b) Borrowings (Other than debt securities)	14	1,692.83	2,789.76
(c) Other financial liabilities	15	9,401.87	8,934.72
Sub total		11,674.71	12,265.20
(2) Non-Financial Liabilities			
(a) Current tax Liabilities		12.77	-
(b) Provisions	16	15.66	11.26
(b) Other non-financial liabilities	17	80.54	69.43
Sub total		108.97	80.69
(3) EQUITY			
(a) Equity share capital	18	306.36	294.17
(b) Other equity	19	4,326.25	3,445.58
Sub total		4,632.61	3,739.75
Total		16,416.29	16,085.64

See accompanying notes forming part of Consolidated Financial Statements 1- 44

As per our attached report of even date

For and on behalf of Board of Directors

For V Sankar Aiyar & Co.

Chartered Accountants

Firm's Registration No.109208W

By the hand of

Asha Patel

Partner

Membership No.: 166048

Prakarsh Gagdani

Whole Time Director & CEO

(DIN: 07376258)

Gourav Munjal

Whole Time Director & CFO

(DIN: 06360031)

Namita Godbole

Company Secretary

Place: Mumbai

Dated: May 01, 2023

Consolidated Statement of Profit and Loss

For the year ended March 31, 2023

(₹ in Millions)

Particulars	Note No.	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue from Operations			
(a) Interest income	20	1,018.92	809.91
(b) Fees and commission income	21	2,359.73	2,159.74
(I) Total revenue from operations		3,378.65	2,969.65
(a) Other income	22	15.03	10.16
(II) Total income		3,393.68	2,979.81
(III) Expenses			
(a) Finance cost	23	206.34	218.69
(b) Employee benefits expense	24	590.74	421.93
(c) Depreciation, amortization and impairment	25	87.94	50.29
(d) Other expenses	26	1,927.77	2,103.86
(IV) Total expenses		2,812.79	2,794.77
(V) Exceptional items		-	-
(VI) Profit/(Loss) before tax		580.89	185.04
(VII) Tax expense:	27		
(1) Current tax		83.18	-
(2) Deferred tax		62.04	47.68
(VIII) Profit/(Loss) for the year (VI-VII)		435.67	137.36
Other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss		(3.53)	1.71
(ii) Income tax relating to items that will not be reclassified to profit or loss		0.89	(0.43)
Other Comprehensive Income (IX)		(2.64)	1.28
Total Comprehensive Income for the year (VIII) + (IX)		433.03	138.64
Earnings per equity share of face value of ₹ 10 each	28		
Basic in (₹)		14.42	4.72
Diluted in (₹)		14.33	4.68

See accompanying notes forming part of Consolidated Financial Statements 1- 44

As per our attached report of even date

For and on behalf of Board of Directors

For V Sankar Aiyar & Co.

Chartered Accountants

Firm's Registration No.109208W

By the hand of

Asha Patel

Partner

Membership No.: 166048

Prakarsh Gagdani

Whole Time Director & CEO

(DIN: 07376258)

Gourav Munjal

Whole Time Director & CFO

(DIN: 06360031)

Namita Godbole

Company Secretary

Place: Mumbai

Dated: May 01, 2023

Consolidated Statement of Changes in Equity

For the year ended March 31, 2023

A. Equity Share Capital

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	(₹ in Millions)	No. of Shares	(₹ in Millions)
Equity Shares				
At the beginning of the year	29,417,318	294.17	25,515,918	255.16
Changes in Equity Share Capital due to prior period errors	-	-	-	-
Restated Balance at the beginning of the previous reporting period	29,417,318	294.17	25,515,918	255.16
Changes in equity share capital during the year *	1,218,250	12.19	3,901,400	39.01
Closing at the end of year	30,635,568	306.36	29,417,318	294.17

* During the year 18,250 equity shares has been issued to the employees of the Company under employee stock option scheme & 1,200,000 shares have been issue on preferential basis. In Previous year 84,000 equity shares has been issued to the employees of the Company under employee stock option scheme & 3,817,400 shares have been issue on preferential basis.

B. Other Equity

Particulars	Reserves and Surplus							(₹ in Millions)
	Share Warrants	General Reserve	Securities Premium Reserve	Capital Reserve	Retained Earnings	Employee Stock option Reserve	Other items of Other Comprehensive Income	Total
Balance as at March 31, 2021	-	7.97	1,701.16	47.71	(493.25)	44.88	(2.88)	1,305.59
Changes in accounting policy or prior year errors April 1, 2021	-	-	-	-	-	-	-	-
Restated balance at the beginning April 1, 2021	-	7.97	1,701.16	47.71	(493.25)	44.88	(2.88)	1,305.59
Profit for the year	-	-	-	-	137.36	-	-	137.36
Other comprehensive Income for the year	-	-	-	-	-	-	1.28	1.28
Premium of equity shares issued (net of share issue expenses)*	-	-	1,831.24	-	-	-	-	1,831.24
Utilised towards IPO expenses	-	-	-	-	-	-	-	-
Utilised towards equity share option exercised	-	-	-	-	-	-	-	-
Transfer to retained earnings from Equity Settled share-based payment reserve	-	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	-
Additions during the year	150.00	-	-	-	-	20.12	-	170.12
Balance as at March 31, 2022	-	7.97	1,701.16	95.42	(493.25)	44.88	(5.77)	1,350.40
Changes in accounting policy or prior year errors April 1, 2022	-	-	-	-	-	-	-	-
Restated balance at the beginning April 1, 2021	150.00	7.97	3,532.40	47.71	(355.89)	65.00	(1.60)	3,445.58
Profit for the year	-	-	-	-	435.67	-	-	435.67
Other comprehensive Income for the year	-	-	-	-	-	-	(2.65)	(2.65)
Premium of equity shares issued (net of share issue expenses)*	-	-	590.97	-	-	-	-	590.97
Utilised towards IPO expenses	-	-	-	-	-	-	-	-
Utilised towards equity share option exercised	-	-	-	-	-	-	-	-
Transfer to retained earnings from Equity Settled share-based payment reserve	-	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	-
Additions during the year	(150.00)	-	-	-	-	6.68	-	(143.32)
Balance as at March 31, 2023	-	7.97	4,123.37	47.71	79.77	71.68	(4.25)	4,326.25

*Securities Premium reserve of ₹ 590.97 million (P.Y. ₹ 1,831.24 million) is created during the year due to issue of shares under equity stock option scheme and preferential issue.

See accompanying notes forming part of Consolidated Financial statements (1 - 44)

As per our attached report of even date

For and on behalf of Board of Directors

For V Sankar Aiyar & Co.

Chartered Accountants

Firm's Registration No.109208W

By the hand of

Asha Patel

Partner

Membership No.: 166048

Prakarsh Gagdani

Whole Time Director & CEO

(DIN: 07376258)

Gourav Munjal

Whole Time Director & CFO

(DIN: 06360031)

Namita Godbole

Company Secretary

Place: Mumbai

Dated: May 01, 2023

Consolidated Cash Flow Statement

For the year ended March 31, 2023

(₹ in Millions)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Cash Flows From Operating Activities		
Net Profit before tax	580.89	185.04
Adjustments for:		
Depreciation, amortisation and impairment	87.94	50.29
Employee benefit expenses - share based	6.67	20.12
Employee benefit expenses - others	10.22	7.08
Finance Cost	206.34	218.69
Capital Gain on Investments	(0.22)	(2.28)
(Gain)/Loss on financial assets measured at fair value	10.35	(3.89)
Interest Income	3.88	-
(Gain)/Loss on sale of PPE & Intangible Assets	0.09	0.15
Operating profit before working capital changes	906.16	475.20
(Increase)/Decrease in Trade Receivables	(0.52)	(0.28)
(Increase)/Decrease in Loans	789.99	(1,125.85)
Increase/(Decrease) in Other Non financial Liabilities	11.10	49.23
(Increase)/Decrease in Other Financial Assets	(221.89)	542.95
Increase/(Decrease) in Other Financial Liabilities	467.24	4,389.30
(Increase)/Decrease in Other Non-Financial Assets	(10.71)	1.67
(Increase)/Decrease in Bank Deposits	(1,691.29)	(6,050.78)
Increase/(Decrease) in Provisions	(8.46)	(5.23)
Increase/(Decrease) in Trade Payable	(1.29)	(4.82)
Increase/(Decrease) in Other Payable	40.57	351.69
Cash generated/(used in) from operations	280.85	(1,376.92)
Taxes paid	(34.91)	(29.34)
Net cash generated/(used in) from operating activities (A)	245.94	(1,406.26)
Cash Flows From Investing Activities		
Purchase of PPE & Intangible Assets	(135.66)	(74.58)
Sale of PPE & Intangible Assets	6.58	6.65
Purchase of Investments	1,839.32	-
Sale of Investments	(1,790.88)	(54.77)
Capital Gain on Investment	-	2.28
Net cash flow generated/(used in) investing activities (B)	(80.64)	(120.42)
Cash Flows From Financing Activities		
Increase/(Decrease) in Share Capital/Share Premium & Warrants(Net)	453.15	2,020.26
Bank overdraft Taken/(Repaid)	(1,096.94)	450.47
Inter corporate deposits Taken	7,000.00	5,750.00
Inter corporate deposits Repaid	(7,000.00)	(5,750.00)
Finance Cost	(206.33)	(218.69)
Net cash flow generated/(used in) financing activities (C)	(850.12)	2,252.04
Net increase/(decrease) in Cash and Cash Equivalents (A+B+C)	(684.82)	725.36
Cash and Cash Equivalents at beginning of Year	894.12	168.76
Cash and Cash Equivalents at end of Period	209.30	894.12
Net Increase/(Decrease) in Cash and Cash Equivalents	(684.82)	725.36

See accompanying notes forming part of the Consolidated Financial Statements (1 - 44)

As per our attached report of even date

For V Sankar Aiyar & Co.

Chartered Accountants

Firm's Registration No.109208W

By the hand of

Asha Patel

Partner

Membership No.: 166048

For and on behalf of Board of Directors

Prakarsh Gagdani

Whole Time Director & CEO

(DIN: 07376258)

Gourav Munjal

Whole Time Director & CFO

(DIN: 06360031)

Namita Godbole

Company Secretary

Place: Mumbai

Dated: May 01, 2023

Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2023

NOTE 1. CORPORATE INFORMATION:

The financial statements comprise financial statements of "5Paisa Capital Limited" ("the holding company") and its subsidiary companies for the year ended March 31, 2023.

5paisa Capital Ltd ["5PCL"] is engaged in providing an online technology platform for trading in National Stock Exchange of India Ltd., BSE Ltd and MCX through web based trading terminal, mobile application and a state of the art Call and Trade Unit. 5PCL is also a SEBI approved Research analyst, a Depository Participant under CDSL and registered member of AMFI. 5PCL provides a wide range of financial services to its customers including depository services, distribution of mutual funds, bonds and debentures, Equity and Mutual fund research, Investment advisory services through its technology based platforms.

One of the wholly owned subsidiary company 5paisa P2P ("5paisa P2P") Limited was incorporated on December 17, 2017 with the objective to provide an online marketplace to the participants involved in peer to peer lending and also to act as a distributor of financial products. The group company has received approval from RBI to commence its business as NBFC P2P.

The wholly owned subsidiary company 5Paisa Corporate Services Limited (Formerly known as 5Paisa Insurance Brokers Limited) was incorporated on October 27, 2018 with the objective to undertake the activities of Insurance Brokers as permissible under IRDA (Insurance Brokers) Regulations 2002 and other related activities. The group companies has applied with IRDA for undertaking the activities of Insurance Brokers & awaiting for approval.

The wholly owned subsidiary of the company namely 5paisa Trading Limited had incorporated on February 27, 2020.

The wholly owned subsidiary of the Company namely 5Paisa International Securities (IFSC) Limited had incorporated on June 15, 2022. We are in the process of seeking necessary licenses/registrations to initiate operations in this company.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES AND KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

2.1 Significant Accounting Policies:

a) Basis of Preparation of Consolidated financial statements:

The consolidated financial statement for the year ended March 31, 2022 has been prepared in accordance with Indian Accounting Standard ("Ind AS"). The Holding Company is covered under the definition of NBFC and the Ind AS is applicable under Phase II as defined in notification dated March 30, 2016 issued by Ministry of Corporate Affairs (MCA), since the holding company is a listed company.

These Consolidated financial results have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting standards prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued there under and the other accounting principles generally accepted in India and in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, and relevant amendment rules issued thereafter and under the historical cost convention on accrual basis except for the following items:

Items	Measurement basis
Certain financial assets and liabilities	Fair value (refer accounting policy regarding financial instruments)
Net defined benefit assets / liability	Fair value of plan assets less present value of defined benefit obligations
Share based payment	Fair value (refer accounting policy regarding financial instruments)

These Consolidated Financial Statements of the group are presented as per Schedule III (Division III) of the Companies Act, 2013 applicable to NBFCs, as notified by the Ministry of Corporate Affairs (MCA). These Consolidated Financial Statements of the group companies are presented in Indian Rupees ("INR"), which is also the group companies's functional currency and all values are rounded to nearest Millions upto two decimal places, except otherwise indicated.

The Consolidated financial statements for the year ended March 31, 2023 are being authorized for issue in accordance with a resolution of the directors on May 01, 2023.

aa) Basis of consolidation of accounts of subsidiary companies:

The group companies consolidates entities which it owns or controls. The consolidated financial statements comprise the financial statements of the group companies and subsidiaries as disclosed in Note 36. Control exists when the parent has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those

Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2023

which significantly affect the entity's returns. Subsidiaries are consolidated from the date control commences until the date control ceases.

The financial statements of the group companies are consolidated on a line-by-line basis and intra-group balances and transactions including unrealised gain / loss from such transactions are eliminated upon consolidation. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies. Non-controlling interests, which represent part of the net profit or loss and net assets of subsidiaries that are not, directly or indirectly, owned or controlled by the group companies, are excluded.

b) Property, plant and equipment:

Measurement at recognition:

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

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

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

of property, plant and equipment if the recognition criteria are met.

Items such as spare parts, stand-by equipment and servicing equipment that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life. Subsequent expenditure relating to property, plant and equipment is capitalized only when it is probable that future economic benefit associates with these will flow into the group companies and the cost of the item can be measured reliably.

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

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

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

Depreciation:

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

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

The useful lives, residual values of each part of an item of property, plant and equipment and the

Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2023

depreciation methods are reviewed at the end of each financial year. If any of these expectations differ from previous estimates, such change is accounted for as a change in an accounting estimate.

Depreciation is charged using the straight line method based on the useful life of fixed assets as estimated by the management as specified below. Depreciation is charged from the month in which new assets are put to use. No depreciation is charged for the month in which assets are sold. In the case of transfer of used fixed assets from group companies, depreciation is charged over the remaining useful life of the assets. Individual assets / group of similar assets costing up to ₹ 5,000 have been depreciated in full in the year of purchase. Lease hold land is depreciated on a straight line basis over the lease hold period.

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

* For these class of assets, based on internal assessment and independent technical evaluation carried out by external valuers the management believes that the useful lives as given above best represent the period over which management expects to use these assets. Hence the useful lives for these assets are different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

Derecognition:

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

Capital work in progress and Capital advances:

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

c) Intangible assets:

Measurement at recognition:

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

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

Amortization:

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

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

Estimated useful economic life of the assets is as under:

Class of assets	Useful life in years
Software	3

Derecognition:

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

Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2023

d) Impairment of Non-Financial Assets

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

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

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

e) Financial Instruments:

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

Financial instruments also covers contracts to buy or sell a non-financial item that can be settled net in cash or another financial instrument, or by exchanging financial instruments, as if the contracts were financial instruments, with the exception of contracts that were entered into and continue to be held for the purpose of the receipt or delivery of a

non-financial item in accordance with the entity's expected purchase, sale or usage requirements.

Financial assets

Initial recognition and measurement:

Trade Receivables, Loans and Deposits are initially recognized when they are originated. The group companies recognizes a financial asset in its Balance Sheet when it becomes party to the contractual provisions of the instrument.

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial asset.

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

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

Trade receivables that do not contain a significant financing component are measured at transaction price.

Subsequent measurement:

For subsequent measurement, the group companies classifies a financial asset in accordance with the below criteria:

- i) The group companies business model for managing the financial asset and
- ii) The contractual cash flow characteristics of the financial asset.

Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2023

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

- i) Financial assets measured at amortized cost
- ii) Financial assets measured at fair value through other comprehensive income (FVTOCI)
- iii) Financial assets measured at fair value through profit or loss (FVTPL)

i. Financial assets measured at amortized cost:

A financial asset is measured at the amortized cost if both the following conditions are met:

- a) The group companies business model objective for managing the financial asset is to hold financial assets in order to collect contractual cash flows, and
- b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

For the purpose of SPPI test, principal is the fair value of the financial asset at initial recognition. That principal amount may change over the life of the financial asset (e.g. if there are repayments of principal). Interest consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin. The SPPI assessment is made in the currency in which the financial asset is denominated. Contractual cash flows that are SPPI are consistent with a basic lending arrangement. Contractual terms that introduce exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are SPPI. An assessment of business models for managing financial assets is fundamental to the classification of

a financial asset. The group companies determines the business models at a level that reflects how financial assets are managed together to achieve a particular business objective. The group companies business model does not depend on management's intentions for an individual instrument, therefore the business model assessment is performed at a higher level of aggregation rather than on an instrument-by-instrument basis.

This category generally applies to cash and bank balances, trade receivables, loans and other financial assets of the group companies. Such financial assets are subsequently measured at amortized cost using the effective interest method.

Under the effective interest method, the future cash receipts are exactly discounted to the initial recognition value using the effective interest rate. The cumulative amortization using the effective interest method of the difference between the initial recognition amount and the maturity amount is added to the initial recognition value (net of principal repayments, if any) of the financial asset over the relevant period of the financial asset to arrive at the amortized cost at each reporting date. The corresponding effect of the amortization under effective interest method is recognized as interest income over the relevant period of the financial asset.

The amortized cost of a financial asset is also adjusted for loss allowance, if any.

ii. Financial assets measured at FVTOCI:

A financial asset is measured at FVTOCI if both of the following conditions are met:

- a) The business model objective for managing the financial asset is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2023

Such financial assets are measured initially as well as at each reporting date at fair value. Fair value changes are recognized in the Other Comprehensive Income (OCI). However, the group companies recognizes interest income and impairment losses and its reversals in the Statement of Profit and Loss.

On Derecognition of such financial assets, cumulative gain or loss previously recognized in OCI is reclassified from equity to Statement of Profit and Loss.

As at the balance sheet date, there are no financial assets which are measured at FVOCI.

iii. Investments in equity instruments at FVTOCI:

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

iv. Financial assets measured at FVTPL:

A financial asset is measured at FVTPL unless it is measured at amortized cost or at FVTOCI as explained above. This is a residual category applied to all other investments of the group companies excluding investments in subsidiaries.

Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the Statement of Profit and Loss. Further, the group companies, through an irrevocable election at initial recognition, has measured certain investments in equity instruments at FVTPL. The group companies has made such election on an instrument by instrument basis. These equity instruments are neither held for trading nor are contingent consideration recognized under a business combination. Pursuant to such irrevocable election, subsequent changes in the fair value of such equity instruments are recognized in Statement of Profit and Loss. The group companies recognizes dividend income from such instruments in the Statement of Profit and Loss.

Reclassifications:

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

Derecognition:

A financial asset (or, where applicable, a part of a financial asset or part of a similar financial assets) is derecognized (i.e. removed from the Balance Sheet) when any of the following occurs:

- i. The contractual rights to cash flows from the financial asset expires;
- ii. The group companies transfer its contractual rights to receive cash

Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2023

flows of the financial asset and has substantially transferred all the risks and rewards of ownership of the financial asset;

- iii. The group companies retains the contractual rights to receive cash flows but assumes a contractual obligation to pay the cash flows without material delay to one or more recipients under a 'pass-through' arrangement (thereby substantially transferring all the risks and rewards of ownership of the financial asset);
- iv. The group companies neither transfers nor retains, substantially all risk and rewards of ownership, and does not retain control over the financial asset.

In cases where group companies has neither transferred nor retained substantially all of the risks and rewards of the financial asset, but retains control of the financial asset, the group companies continues to recognize such financial asset to the extent of its continuing involvement in the financial asset. In that case, the group companies also recognizes an associated liability. The financial asset and the associated liability are measured on a basis that reflects the rights and obligations that the group companies has retained.

On derecognition of a financial asset the difference between the carrying amount and the consideration received is recognized in the Statement of Profit and Loss.

Impairment of financial assets:

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

- i. Trade receivables and lease receivables
- ii. Financial assets measured at amortized cost (other than trade receivables and lease receivables)

- iii. Financial assets measured at fair value through other comprehensive income (FVTOCI)

In case of trade receivables and lease receivables, the group companies follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognised as loss allowance.

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

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

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

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

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

Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2023

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

Financial Liabilities and equity:

Initial recognition and measurement:

The group companies recognizes a financial liability in its Balance Sheet when it becomes party to the contractual provisions of the instrument. All financial liabilities are recognized initially at fair value minus, in the case of financial liabilities not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial liability.

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

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

Subsequent measurement:

All financial liabilities are initially recognised at fair value net of transaction

cost that are attributable to the separate liabilities. All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

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

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

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

Equity instruments:

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

Derecognition:

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms,

Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2023

or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability, derecognized and the consideration paid is recognized in the Statement of Profit and Loss.

f) Fair Value:

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

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

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. The group companies uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy that categorizes into three levels, described as follows, the inputs to valuation techniques used to measure value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

Level 1 – quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly .

Level 3 – inputs for assets or liabilities that are not based on observable market data.

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the group companies determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period and discloses the same.

g) Foreign Currency Translation:

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

i. Functional and presentation currencies:

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

ii. Transactions & Balances:

Foreign currency transactions are translated into the functional currency at the exchange rates on the date of transaction. Foreign exchange gains and losses resulting from settlement of such transactions and from translation of monetary assets and liabilities at the year-end exchange rates are generally recognized in the Statement Profit and Loss. They are deferred in equity if they relate to qualifying cash flow hedges. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis. Non-monetary foreign currency items are carried at cost and accordingly the investments in shares of foreign subsidiaries are expressed in Indian currency at the rate of exchange prevailing at the time when the original investments are made or fair values determined.

iii Foreign operations:

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

- assets and liabilities are translated at the closing rate as on that balance sheet date

Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2023

- income and expenses are translated at average exchange rates, and
- all resulting exchange differences are recognised in other comprehensive income.

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

h) Income Taxes:

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

Current tax:

Provision for current tax is made as per the provisions of the Income Tax Act, 1961. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). With effect from April 1, 2019, where there is uncertainty over income tax treatments, the group companies determines the probability of the income tax authorities accepting each such tax treatment or group of tax treatments in computing the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

Deferred tax:

Deferred tax is provided using the balance sheet method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes as at the reporting date. Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit under Income tax Act, 1961.

Deferred tax liabilities are generally recognized for all taxable temporary differences. However, in case of temporary differences that arise from initial recognition of assets or liabilities in a transaction (other than business combination) that affect neither the taxable profit nor the accounting profit,

deferred tax liabilities are not recognized. Also, for temporary differences if any that may arise from initial recognition of goodwill, deferred tax liabilities are not recognized.

Deferred tax assets are generally recognized for all deductible temporary differences to the extent it is probable that taxable profits will be available against which those deductible temporary difference can be utilized. In case of temporary differences that arise from initial recognition of assets or liabilities in a transaction (other than business combination) that affect neither the taxable profit nor the accounting profit, deferred tax assets are not recognized.

The tax effects of income tax losses, available for carry forward, are recognised as deferred tax asset, when it is probable that future taxable profits will be available against which these losses can be set-off.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the benefits of part or all of such deferred tax assets to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

Presentation of current and deferred tax:

Current and deferred tax are recognized as income or an expense in the Statement of Profit and Loss, except when they relate to items that are recognized in Other Comprehensive Income, in which case, the current and deferred tax income/expense are recognized in Other Comprehensive Income.

The group companies offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. In case of deferred tax assets and deferred tax liabilities, the same are offset if the group companies has a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the group companies.

Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2023

i) Provisions and Contingencies:

The group companies recognizes provisions when a present obligation (legal or constructive) as a result of a past event exists and it is probable that an outflow of resources embodying economic benefits will be required to settle such obligation and the amount of such obligation can be reliably estimated. The amount recognised as a provision is the best estimate of the consideration require to settle the present obligation at the end of reporting period, taking into account the risk & uncertainties surrounding the obligation.

If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

The group companies in the normal course of its business, comes across client claims/ regulatory penalties/ inquiries, etc. and the same are duly clarified/ addressed from time to time. The penalties/ actions if any are being considered for disclosure as contingent liability only after finality of the representation of appeals before the lower authorities.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

Contingent assets are disclosed only where an inflow of economic benefits is probable.

j) Statement of Cash Flows :

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method adjusting the net profit for the effects of:

- changes during the period in operating receivables and payables transactions of a noncash nature;

- non-cash items such as depreciation, provisions, deferred taxes and unrealised foreign currency gains and losses.
- all other items for which the cash effects are investing or financing cash flows.

k) Cash and Cash Equivalents :

Cash and cash equivalents for the purpose of Cash Flow Statement comprise cash and cheques in hand, bank balances. Bank borrowings are used for business purposes, and hence bank overdrafts are not considered to be a part of cash and cash equivalents in Cash flow statement.

l) Revenue Recognition

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 group companies recognizes revenue from contracts with customers based on a five-step model as set out in Ind AS 115:

Step 1: Identify contract(s) with a 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 group companies expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

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

Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2023

Step 5: Recognise revenue when (or as) the group companies satisfies a performance obligation.

The group companies assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The group companies has concluded that it is acting as a principal in all of its revenue arrangements.

Income from services rendered as a broker is recognised upon rendering of the services on a trade date basis, in accordance with the terms of contract. Fees for subscription based services are received periodically but are recognised as earned on a pro-rata basis over the term of the contract. Commissions from distribution of financial products are recognised upon allotment of the securities to the applicant. Commission and fees recognized as aforesaid are exclusive of goods and service tax, securities transaction tax, stamp duties and other levies by SEBI and stock exchanges.

Advances received from customers in respect of contracts are treated as liabilities and adjusted against progress billing as per terms of the contract. Progress payments received are adjusted against amount receivable from customers in respect of the contract work performed. Amounts retained by the customers until the satisfactory completion of the contracts are recognised as receivables.

m) Other Income

Interest is earned on delayed payments from customers 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. Dividend income is recognised when the right to receive the dividend is established.

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
 - the amortised cost of the financial liability
- Gains / losses on dealing in securities are recognized on a trade date basis.

n) Employee Benefits

Share-based payment arrangements:

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. The fair value determined at the grant date of the equity settled share-based payments is expensed on a straight line basis over the vesting period, based on the group companies's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the group companies revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in the Statement of Profit and Loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

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

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

Securities premium includes the difference between the face value of the equity shares and the consideration received in respect of shares issued pursuant to Stock Option Scheme. Expenses relating to share issue has been reduced from share premium.

Short Term Employee Benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognized in the period in which the employee renders the related service if the group companies has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably. The group

Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2023

companies recognizes the undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered as a liability (accrued expense) after deducting any amount already paid.

Post-Employment Benefits:

I. *Defined contribution plans:*

Defined contribution plans are post-employment benefit plans under which the group companies pays fixed contributions into state managed retirement benefit schemes and will have no legal or constructive obligation to pay further contributions, if any, if the state managed funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. The group companies contributions to defined contribution plans are recognised in the Statement of Profit and Loss in the financial year to which they relate. The group companies and its Indian subsidiaries operate defined contribution plans pertaining to Employee State Insurance Scheme and Government administered Pension Fund Scheme for all applicable employees and the group companies operates a Superannuation scheme for eligible employees.

Recognition and measurement of defined contribution plans: The group companies recognizes contribution payable to a defined contribution plan as an expense in the Statement of Profit and Loss when the employees render services to the group companies during the reporting period. If the contributions payable for services received from employees before the reporting date exceed the contributions already paid, the deficit payable is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the reporting date, the excess is recognized as an asset to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund.

II. *Defined benefit plans:*

Gratuity scheme: The Holding company, operates a gratuity scheme for employees.

The contribution is paid to a separate fund in ICICI Prudential named 5 Paisa Capital Limited

Gratuity Fund, towards meeting the Gratuity obligations.

Recognition and measurement of defined benefit plans:

The cost of providing defined benefits is determined using the Projected Unit Credit method with actuarial valuations being carried out at each reporting date. The defined benefit obligations recognized in the Balance Sheet represent the present value of the defined benefit obligations as reduced by the fair value of plan assets, if applicable. Any defined benefit asset (negative defined benefit obligations resulting from this calculation) is recognized representing the present value of available refunds and reductions in future contributions to the plan.

All expenses represented by current service cost, past service cost if any and net interest on the defined benefit liability (asset) are recognized in the Statement of Profit and Loss. Re-measurements of the net defined benefit liability (asset) comprising actuarial gains and losses and the return on the plan assets (excluding amounts included in net interest on the net defined benefit liability/asset), are recognized in Other Comprehensive Income. Such remeasurements are not reclassified to the Statement of Profit and Loss in the subsequent periods.

Other Long Term Employee Benefits:

Entitlements to annual leave and sick leave are recognized when they accrue to employees. Sick leave can only be availed while annual leave can either be availed or encashed subject to a restriction on the maximum number of accumulation of leave. The group companies determines the liability for such accumulated leaves using the Projected Accrued Benefit method with actuarial valuations being carried out at each Balance Sheet date.

Other Employee Benefits

Compensated absences which accrue to employees and which can be carried to future periods but are expected to be availed in twelve months immediately following the year in which the employee has rendered service are reported as expenses during the year in which the employees perform the services that the

Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2023

benefit covers and the liabilities are reported at the undiscounted amount of the benefits.

o) Lease accounting :

The group companies as a Lessee

The group companies's lease asset classes primarily consist of leases for premises and vehicles. The group companies assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the group companies assesses whether: (i) the contract involves the use of an identified asset (ii) the group companies has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the group companies has the right to direct the use of the asset.

At the date of commencement of the lease, the group companies 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. For these short-term and low value leases, the group companies recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

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

The right-of-use assets are initially 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. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e.

the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

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 group companies 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.

The group companies as a Lessor

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

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

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

The group companies does not have any lease arrangement where it is a lessor as on the balance sheet date.

p) Borrowing Cost:

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs, if any, directly

Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2023

attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized, if any. All other borrowing costs are expensed in the period in which they occur.

q) Earning Per Share:

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

r) Segment Reporting :

The group companies's business is to provide broking services, to its clients, in the capital markets in India. All other activities of the group companies are not material as on balance sheet date. As such, there are no reportable segments that need to be reported separately as defined in Ind AS 108, Operating Segments.

2.2 KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

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

The group companies makes certain judgments and estimates for valuation and impairment of financial instruments, fair valuation of employee stock options, useful life of property, plant and equipment, deferred

tax assets and retirement benefit obligations. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

a. Income taxes

The group companies tax jurisdiction is India. Significant judgements are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions. Further Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases.

b. Determination of the estimated useful lives of tangible assets

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of group companies's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technical or commercial obsolescence arising from changes or improvements in production or from a change in market demand of the product or service output of the asset.

c. Defined Benefit Obligation

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



Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2023

defined benefit obligation is sensitive to changes in these assumptions. Further details are disclosed in Note 24.

d. Fair value measurement of Financial Instruments

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques, including the discounted cash flow model, which involve various judgements and assumptions.

e. Impairment of financial assets

The provision for expected credit loss involves estimating the probability of default and loss given default based on the group companies own experience & forward looking estimation.

f. Provision for litigations

In estimating the final outcome of litigation, the group companies applies judgment in considering factors including experience with similar matters, past history, precedents, relevant and other evidence

and facts specified to the matter. Application of such judgment determines whether the group companies requires an accrual or disclosure in the financial statements.

g. Fair valuation of employee share options

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

h. Determining whether an arrangement containing a lease

In determining whether an arrangement is, or contains a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease date if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset, even if that right is not explicitly specified in the arrangement.

Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2023

NOTE 3 : CASH AND CASH EQUIVALENTS

Particulars	(₹ in Millions)	
	As at March 31, 2023	As at March 31, 2022
Cash & cash equivalents:		
- Cash in hand	-	-
- Cheques in hand	-	-
Balances with bank:		
- in current accounts	10.78	5.31
- in client accounts	198.52	888.81
Total cash & cash equivalents	209.30	894.12

NOTE 4 : BANK BALANCE OTHER THAN ABOVE

Particulars	(₹ in Millions)	
	As at March 31, 2023	As at March 31, 2022
Fixed Deposits (Non - Lien marked)	0.88	-
Fixed Deposits (Lien marked)*	12,801.71	11,111.29
Total	12,802.59	11,111.29

*Holding company has pledged fixed deposits with the banks for bank guarantee/overdraft facilities and with the clearing corporations for margin/ arbitration purpose and with other authorities.

NOTE 5 : RECEIVABLES

Particulars	(₹ in Millions)	
	As at March 31, 2023	As at March 31, 2022
(i) Trade receivables		
- Receivables considered Good - unsecured	0.78	0.28
- Receivables which have significant increase in credit risk	-	-
- Receivables - credit impaired	-	-
Total (i) Gross	0.78	0.28
Less : Impairment loss allowance	-	-
Total (i) Net	0.78	0.28

a) No trade or other receivables are due from directors or from other officers of the Holding company either severally or jointly with any other person nor any trade or other receivables are due from firms or private companies respectively in which any directors is a partner, director or a member as at March 31, 2023 & March 31, 2022.

b) No trade receivables and other receivables are interest bearing.

Trade Receivables Ageing Schedule as on March 31, 2023

Particulars	(₹ in Millions)					
	Less than 6 Months	6 Months to 1 year	1-2 Years	2-3 Years	More than 3 years	Total
Undisputed Trade Receivables - Considered Good	0.78	-	-	-	-	0.78
Receivables which have significant increase in credit risk	-	-	-	-	-	-
Receivables - credit impaired	-	-	-	-	-	-

Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2023

Trade Receivables Ageing Schedule as on March 31, 2022

(₹ in Millions)

Particulars	Less than 6 Months	6 Months to 1 year	1-2 Years	2-3 Years	More than 3 years	Total
Undisputed Trade Receivables - Considered Good	0.28	-	-	-	-	0.28
Receivables which have significant increase in credit risk	-	-	-	-	-	-
Receivables - credit impaired	-	-	-	-	-	-

NOTE 6 : LOANS

(₹ in Millions)

Particulars	As at March 31, 2023	As at March 31, 2022
Loans repayable on demand		
Margin trading facility balances*	1,726.54	2,516.53
Total	1,726.54	2,516.53

*Loans to customers are secured by pledge of Shares/Bonds/Mutual Funds and other allowable securities as per exchange rules.

NOTE 7 : INVESTMENTS

(₹ in Millions)

Particulars	As at March 31, 2023	As at March 31, 2022
A) At fair value through profit or loss		
Exchange Traded Fund		
EQ-ABSLAMC	-	0.84
EQ - ABSLBANETF	1.01	1.47
EQ - ABSLNN50ET	1.52	0.88
EQ - BSLNIFTY	0.34	0.39
EQ - DSPN50ETF	2.30	15.82
EQ - DSPNEWETF	1.23	6.73
EQ - DSPQ50ETF	4.08	7.29
EQ - HEALTHY	1.11	0.41
EQ - LICNETFN50	2.27	4.42
EQ - LICNETFSEN	2.06	1.80
EQ - LICNFNHGP	2.82	5.75
EQ - SBIETFCON	3.63	2.01
EQ - SBIETFIT	2.60	3.82
EQ - SBIETFPB	2.46	3.84
EQ - TECH	0.49	0.93
EQ- SBIETFQLTY	1.00	4.54
EQ- UTISXN50	2.87	2.81
EQ-BLSSENETFG	0.37	0.48
EQ-DSPBANKETF	0.83	-
EQ-HBANKETF	3.02	-
EQ-HDFCBSE500	0.34	-
EQ-HDFCMID150	1.20	-
EQ-HDFCNIFETF	2.19	-
EQ-HDFCSENETF	0.84	-
EQ-HDFCSML250	2.16	-
EQ-SBISENSEXETF	0.24	6.77

Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2023

(₹ in Millions)

Particulars	As at	
	March 31, 2023	March 31, 2022
EQ-SETFBANK EQ	0.77	6.60
EQ-SETFBSE100	2.46	5.42
EQ-SETFNIFTY EQ	2.92	6.89
EQ-SETFNIFTYNEXT 50 EQ	5.62	6.57
EQ-SETFSN50	1.59	3.45
EQ-UTIBANKETF	1.61	0.55
EQ-UTINEXT50	2.48	6.77
EQ-UTINIFTYETF	1.45	5.89
EQ-UTISENSEXETF	2.20	8.96
B) Investment in Mutual Fund shares		
ICICI Prudential Liquid Fund (52,243.59 Units NAV @333.18) (PY - 56,979.25 Units NAV @315.25)	17.41	17.96
Total (A + B)	81.49	140.06
- Investment outside India	-	-
- Investment in India	81.49	140.06
Total (A + B)	81.49	140.06

NOTE 8 : OTHER FINANCIAL ASSETS

(₹ in Millions)

Particulars	As at	
	March 31, 2023	March 31, 2022
Deposit/Margin with exchanges	43.56	45.31
Clients and Exchanges receivables (net of provision)#	1,002.22	810.88
Security deposit with landlords and others*	13.48	12.81
Interest accrued on deposits and investments	235.59	211.80
Receivable from related parties (Refer note 33)	7.83	-
Total	1,302.68	1,080.79

#Includes receivable from director and key managerial personnel ₹ 0.00 million (March 31, 2022 ₹ 0.00 million)

* Include deposit with related party of ₹ 11.39 million (March 31, 2022 ₹ 10.8 million) Refer note 33

NOTE 9 :- DEFERRED TAX ASSETS (NET)

(₹ in Millions)

Particulars	As at March 31, 2023			
	Opening balance as at April 1, 2022	Recognised in profit or loss (net)	Recognised in/reclassified from OCI	Closing balance
Deferred tax assets:				
Depreciation on property, plant and equipment	0.93	(3.31)	-	(2.38)
Provisions for expected credit loss	39.07	8.72	-	47.79
Compensated absences and retirement benefits	3.67	1.71	0.89	6.27
Tax on business Loss carry-forward	88.43	(76.09)	-	12.34
Amortization Income	4.88	3.41	-	8.28
Total deferred tax assets (a)	136.98	(65.56)	0.89	72.30
Deferred tax liabilities:				
Unrealised profit on investments	(3.81)	2.99	-	(0.82)
On Lease Rentals as per tax	(1.32)	0.53	-	(0.79)
Total deferred tax liabilities (b)	(5.13)	3.52	-	(1.61)
Deferred tax assets (a) + (b)	131.85	(62.04)	0.89	70.69

Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2023

(₹ in Millions)

Particulars	As at March 31, 2022			Closing balance
	Opening balance as at April 1, 2022	Recognised in profit or loss (net)	Recognised in/reclassified from OCI	
Deferred tax assets:				
Depreciation on property, plant and equipment	1.98	(1.05)	-	0.93
Provisions for expected credit loss	12.01	27.06	-	39.07
Compensated absences and retirement benefits	2.57	1.53	(0.43)	3.67
Tax on business Loss carry-forward	165.93	(77.50)	-	88.43
Amortization Income	2.72	2.16	-	4.88
Total deferred tax assets (a)	185.21	(47.80)	(0.43)	136.98
Deferred tax liabilities:				
Unrealised profit on investments	(4.41)	0.60	-	(3.81)
On Lease Rentals as per tax	(0.84)	(0.48)	-	(1.32)
Total deferred tax liabilities (b)	(5.26)	0.12	-	(5.13)
Deferred tax assets (a) + (b)	179.95	(47.68)	(0.43)	131.85

NOTE 10 : PROPERTY, PLANT AND EQUIPMENT

a) Tangible Assets:

(₹ in Millions)

Particulars	Computer	Electrical Equipment	Furniture & Fixture	Office Equipment	Total
As at March 31, 2021	38.47	2.88	2.95	2.57	46.87
Additions	67.82	0.01	7.95	2.16	77.93
Disposals/Adjustments	6.34	-	0.31	-	6.65
As at March 31, 2022	99.95	2.88	10.59	4.73	118.15
Additions	71.80	-	0.54	2.73	75.07
Disposals/Adjustments	10.14	0.85	1.19	0.14	12.32
As at March 31, 2023	161.61	2.03	9.94	7.32	180.90
Accumulated Depreciation:					
As at March 31, 2021	24.78	1.60	1.99	2.00	30.37
Depreciation charge for the year	17.69	0.57	1.46	0.63	20.35
Deductions/Adjustments	2.54	-	0.31	-	2.85
As at March 31, 2022	39.92	2.17	3.14	2.63	47.86
Depreciation charge for the year	42.95	0.51	2.09	1.08	46.63
Deductions/Adjustments	3.71	0.83	1.12	0.06	5.72
As at March 31, 2023	79.16	1.85	4.10	3.65	88.76

Net Book Value:

(₹ in Millions)

Particulars	Computer	Electrical Equipment	Furniture & Fixture	Office Equipment	Total
As at March 31, 2022	60.03	0.71	7.45	2.10	70.28
As at March 31, 2023	82.45	0.18	5.84	3.67	92.14

Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2023

b) Other intangible assets (other than internally generated):

(₹ in Millions)

Particulars	Software	Total
Cost:		
As at March 31, 2021	42.94	42.94
Additions	8.49	8.49
Deductions/Adjustments	-	-
As at March 31, 2022	51.43	51.43
Additions	44.27	44.27
Deductions/Adjustments	-	-
As at March 31, 2023	95.70	95.70
Accumulated Depreciation:		
As at March 31, 2021	20.56	20.56
Depreciation charge for the year	12.42	12.42
Deductions/Adjustments	-	-
As at March 31, 2022	32.98	32.98
Depreciation charge for the year	21.16	21.16
Deductions/Adjustments	-	-
As at March 31, 2023	54.14	54.14

Net Book Value:

(₹ in Millions)

Particulars	Software	Total
As at March 31, 2022	18.45	18.45
As at March 31, 2023	41.56	41.56

c) Intangible assets under development

Capital WIP ageing schedule as at March 31, 2023

(₹ in Millions)

Particulars	Amount for a period of			Total
	Less than 1 year	1-2 years	2-3 years	
Projects in progress	-	-	-	-
Projects temporarily suspended	-	-	-	-
Total	-	-	-	-

Capital WIP ageing schedule as at March 31, 2022

(₹ in Millions)

Particulars	Amount for a period of			Total
	Less than 1 year	1-2 years	2-3 years	
Projects in progress	2.27	-	-	2.27
Projects temporarily suspended	-	-	-	-
Total	2.27	-	-	2.27

Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2023

NOTE 11 :- RIGHT OF USE ASSETS

A) Following are the changes in the carrying value of right of use assets for the year ended March 31, 2023:

Particulars	(₹ in Millions)		
	Premises	Vehicle	Total
Balance as at April 01, 2021	38.49	0.41	38.91
Additions to right of use assets	1.57	-	1.57
Deletions to right of use assets	-	-	-
Depreciation	17.31	0.21	17.52
Balance as at April 01, 2022	22.76	0.21	22.96
Additions to right of use assets	18.50	-	18.50
Deletions to right of use assets	-	-	-
Depreciation	19.95	0.21	20.15
Closing Balance as at March 31, 2023	21.31	-	21.31

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

B) The following is the movement in lease liabilities during the year ended March 31, 2023:

Particulars	(₹ in Millions)		
	Premises	Vehicle	Total
Balance as at April 01, 2021	41.81	0.45	42.26
Additions	1.57	-	1.57
Deletion	-	-	-
Finance cost accrued during the period	3.50	0.03	3.53
Payment of lease liabilities	(18.91)	(0.25)	(19.15)
Balance as at April 01, 2022	27.97	0.24	28.21
Additions	18.50	-	18.50
Deletion	-	-	-
Finance cost accrued during the year	3.30	0.01	3.31
Payment of lease liabilities	(25.32)	(0.25)	(25.56)
Balance as at March 31, 2023	24.46	-	24.46

C) Following is the break up value of the Current and Non - Current Lease Liabilities for the year ended March 31, 2023:

Particulars	(₹ in Millions)		
	Premises	Vehicle	Total
Current lease liabilities	17.73	-	17.73
Non-current lease liabilities	6.73	-	6.73
Total	24.46	-	24.46

D) Table showing details regarding the contractual maturities of lease liabilities as at March 31, 2023 on an undiscounted basis:

Particulars	(₹ in Millions)		
	Premises	Vehicle	Total
As at March 31, 2022			
Less than one year	16.39	0.24	16.63
One to two years	11.59	-	11.59
Two to five years	-	-	-
Total	27.97	0.24	28.21

Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2023

(₹ in Millions)

Particulars	Premises	Vehicle	Total
As at March 31, 2023			
Less than one year	17.73	-	17.73
One to two years	6.73	-	6.73
Two to five years	-	-	-
Total	24.46	-	24.46

E) Amounts recognised in profit or loss:

(₹ in Millions)

Particulars	Amount
For the year ended March 31, 2022	
Interest on lease liabilities	3.50
Expenses relating to leases of low-value assets, excluding short-term leases of low value assets	0.03
Total	3.53
For the year ended March 31, 2023	
Interest on lease liabilities	3.30
Expenses relating to leases of low-value assets, excluding short-term leases of low value assets	0.01
Total	3.31

F) Amounts recognised in the statement of cash flows :

(₹ in Millions)

Particulars	Amount
For the year ended March 31, 2022	
Total cash outflow for leases	19.15
For the year ended March 31, 2023	
Total cash outflow for leases	25.56

NOTE 12 : OTHER NON-FINANCIAL ASSETS

(₹ in Millions)

Particulars	As at March 31, 2023	As at March 31, 2022
Prepaid expenses	35.91	23.65
Other advances	31.02	32.57
Total	66.93	56.22

NOTE 13 : PAYABLES

(₹ in Millions)

Particulars	As at March 31, 2023	As at March 31, 2022
(I) Trade Payable		
(i) total outstanding dues of micro enterprises and smal enterprises	0.34	0.03
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	11.38	12.98
Total (a)	11.72	13.01

Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2023

(₹ in Millions)

Particulars	As at March 31, 2023	As at March 31, 2022
(II) Other Payable		
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-
(a) Other trade payables	-	0.96
(b) Accrued salaries & benefits	0.57	2.60
(c) Provision for expenses	567.72	524.15
Total (b)	568.29	527.71
Total (a+b)	580.01	540.72

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

(₹ in Millions)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Principal amount remaining unpaid to any supplier at the year end	0.34	0.03
(b) Interest due thereon remaining unpaid to any supplier at the year end	-	-
(c) Amount of interest paid and payments made to the supplier beyond the appointed day during the year	-	-
(d) Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Act	-	-
(e) Amount of interest accrued and remaining unpaid at the year end	-	-
(f) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the act	-	-

Trade & other payable aging schedule as at March 31, 2023

(₹ in Millions)

Particulars	Outstanding for following periods from due date of payment					Total
	Unbilled	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME - undisputed	-	0.34	-	-	-	0.34
(ii) Others - undisputed	568.29	11.38	-	-	-	579.67
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	568.29	11.72	-	-	-	580.01

Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2023

Trade & other payable aging schedule as at March 31, 2022

(₹ in Millions)

Particulars	Outstanding for following periods from due date of payment					Total
	Unbilled	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME - undisputed	-	0.03	-	-	-	0.03
(ii) Others - undisputed	527.71	12.98	-	-	-	540.69
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	527.71	13.01	-	-	-	540.72

NOTE 14 : BORROWINGS (OTHER THAN DEBT SECURITIES)

(₹ in Millions)

Particulars	As at March 31, 2023	As at March 31, 2022
At amortised cost		
(a) Loans repayable on demand (from banks) : Secured		
- Working capital demand loan	300.00	-
- Bank Overdraft	1,392.83	2,789.76
(b) Other loans : Unsecured		
- Loan from related parties (Refer note 33)	-	-
Total (c) = (a)+ (b)	1,692.83	2,789.76
Borrowings in India	1,692.83	2,789.76
Borrowings outside India	-	-
Total	1,692.83	2,789.76

(a) Terms of loans:

- (i) Working Capital Demand Loan (WCDL) are secured by way of first pari-passu charge on all receivables and current assets to the tune of 1.75 times to 2 times of the outstanding facility amount. Bank Overdraft are secured by fixed deposit. Please refer to note 30 for details of asset pledged.
- (ii) Loan from related parties are unsecured.

(b) Tenor of repayment :

- (i) For WCDL it varies from 7 days to 365 days of each tranche, principal amount of each tranche is to be paid as bullet payment on maturity date.
- (ii) For bank overdraft, the same is repayable on demand.
- (iii) For loan from related parties, the same is repayable on demand.

(c) Interest Rate :

- (i) For WCDL the rate of interest is fixed Lending banks MCLR rate + Spread varies (0.95% to 1.40%), Interest is payable monthly basis on the last date of each month.
- (ii) For Bank Overdraft Interest rate is FD rate + Spread varies (0.75% to 1.00%)
- (iii) For related parties interest rate is in the range of 9.50% to 10.80% p.a. as approved by the board.

Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2023

NOTE 15 : OTHER FINANCIAL LIABILITIES

(₹ in Millions)

Particulars	As at March 31, 2023	As at March 31, 2022
Clients and Exchanges payables#	9,357.04	8,888.27
Payable to related parties (Refer note 33)	-	2.15
Lease liability	24.46	28.21
Provision for gratuity (funded)	4.99	1.67
Other payable	9.59	10.68
Interest Accrued but not due	5.79	3.74
Total	9,401.87	8,934.72

Include payable to directors & key managerial personnel of ₹ 0.10 million (March 31, 2022 ₹ 0.25 million)

NOTE 16 : PROVISIONS

(₹ in Millions)

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for leave encashment	15.66	11.26
Total	15.66	11.26

NOTE 17 : OTHER NON-FINANCIAL LIABILITIES

(₹ in Millions)

Particulars	As at March 31, 2023	As at March 31, 2022
Statutory dues	45.86	49.77
Income received in advance	34.68	19.66
Total	80.54	69.43

NOTE 18 : EQUITY SHARE CAPITAL

a. The Authorised, Issued, Subscribed and Paid up Share Capital:

(₹ in Millions)

Particulars	As at March 31, 2023	As at March 31, 2022
Authorized Share Capital		
At the beginning of the year	800.00	800.00
Add: Increase in authorised share capital	-	-
Closing at the end of year	800.00	800.00
Issued, Subscribed and Paid-up Share Capital		
30,635,568 (Previous Year 29,417,318) Equity Shares of ₹ 10/- each fully paid-up	306.36	294.17

b. Reconciliation of the shares outstanding at the beginning and at the end of the year:

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	₹ in Millions	No. of Shares	₹ in Millions
Equity Shares				
At the beginning of the year	29,417,318	294.17	25,515,918	255.16
Add: Shares issued during the year*	1,218,250	12.19	3,901,400	39.01
Closing at the end of year	30,635,568	306.36	29,417,318	294.17

*During the year 18,250 equity shares has been issued to the employees of the holding company under employee stock option scheme & 1,200,000 shares have been issue on preferential basis .In previous year 84,000 equity shares has been issued to the employees of the holding company under employee stock option scheme & 3,817,400 shares have been issue on preferential basis.

Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2023

c. Terms/rights attached to equity shares

The holding company has only one class of shares referred to as equity shares having a par value of ₹ 10/- each. Each holder of equity shares is entitled to one vote per share.

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

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

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	% of holding in the class	No. of Shares	% of holding in the class
Equity share of ₹ 10 each fully paid up				
FIH Mauritius Investments Ltd.	7,670,130	25.04	7,670,130	26.07
Nirmal Bhanwarlal Jain	6,205,088	20.25	5,600,088	19.04
HWIC Asia Fund Class A Shares	2,570,186	8.39	2,570,186	8.74
WF Asian Reconnaissance Fund Limited	2,905,906	9.49	2,905,906	9.88
Madhu N Jain	1,845,016	6.02	1,365,016	4.64

e. Details of shares held by promoters at as on March 31, 2023

Promoter name	Number of shares	% of total shares	% Change during the year
Mr. Nirmal Jain	6,205,088	20.25%	1.21%
Mr. Venkataraman Rajamani	1,264,594	4.13%	0.90%
Mrs. Madhu N Jain	1,845,016	6.02%	1.38%
Aditi Avinash Athavankar (in her capacity as a trustee of Kalki Family Private Trust)	720,000	2.35%	-0.10%
Ardent Impex Pvt Ltd	108,000	0.35%	-0.01%
Orpheus Trading Pvt. Ltd.	52,000	0.17%	-0.01%
Mrs. Aditi Athavankar	16,000	0.05%	0.00%

Details of shares held by promoters at as on March 31, 2022

Promoter name	Number of shares	% of total shares	% Change during the year
Mr. Nirmal Jain	5,600,088	19.04%	-2.91%
Mr. Venkataraman Rajamani	949,594	3.23%	-0.49%
Mrs. Madhu N Jain	1,365,016	4.64%	-0.71%
Aditi Avinash Athavankar (in her capacity as a trustee of Kalki Family Private Trust)	720,000	2.45%	0.37%
Ardent Impex Pvt Ltd	108,000	0.36%	0.06%
Orpheus Trading Pvt. Ltd.	52,000	0.18%	0.02%
Mrs. Aditi Athavankar	16,000	0.05%	0.01%

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

g. Shares reserved for issue under options and contracts/commitments for sale of shares/disinvestments, including the terms and amount, refer note 34 other equity for details of shares reserved for issue under Employee Stock Option Plan of the holding company.

Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2023

NOTE 19 : OTHER EQUITY

(₹ in Millions)

Particulars	Reserves and Surplus						Other items of Other Comprehensive Income	Total
	Share Warrants	General Reserve	Securities Premium Reserve	Capital Reserve	Retained Earnings	Employee Stock option Reserve		
Balance as at March 31, 2021	-	7.97	1,701.16	47.71	(493.25)	44.88	(2.88)	1,305.59
Total comprehensive income for the year	-	-	-	-	137.36	-	1.28	138.64
Transfer from/to reserve	-	-	-	-	-	-	-	-
Additions during the year * (Net of share issue expenses)	150.00	-	1,831.24	-	-	20.12	-	2,001.36
Balance as at March 31, 2022	150.00	7.97	3,532.40	47.71	(355.89)	65.00	(1.60)	3,445.59
Total comprehensive income for the year	-	-	-	-	435.67	-	(2.65)	433.02
Transfer from/to reserve	-	-	-	-	-	-	-	-
Additions during the year * (Net of share issue expenses)	(150.00)	-	590.97	-	-	6.68	-	447.65
Balance as at March 31, 2023	-	7.97	4,123.37	47.71	79.77	71.68	(4.25)	4,326.25

*Securities Premium reserve of ₹ 590.97 Million (P.Y. ₹ 1,831.24 Million) is created during the year due to issue of shares under equity stock option scheme & preferential issue.

Footnotes: Nature and purpose reserves

- i) Share Warrant : 1,200,000 Share Warrant exercisable (convertible) in one or more tranches, anytime within period of eighteen months from the date of issue of warrants i.e May 19, 2021 into equal number of equity shares of face value of ₹ 10/- each of the holding company on a preferential basis for cash.

The Capital Raising Committee of the Board of Directors of the Company in its meeting held on August 02, 2022 allotted 1,200,000 Equity Shares pursuant to exercise of options attached to the convertible warrants by the Mr. Nirmal Jain, Mrs. Madhu Jain & Mr. Venkataraman Rajamani, Promoters of the Company, consequent to the receipt of notice for exercise, along with the balance 75% of the application money (being 375/- per share) due on the Warrants, i.e. ₹ 450,000,000 (INR Forty-Five Crore only).

- ii) Capital reserves : Capital reserve is created as per scheme of arrangement where undertaking including all assets and liabilities of undertaking were transferred to and vested by IIFL Finance Limited (previously known as IIFL Holding Limited).
- iii) Securities premium : Securities premium represents the surplus of proceeds received over the face value of shares, at the time of issue of shares.
- iv) Retained earnings : The balance in retained earnings primarily represents the surplus/deficit after payment of dividend (including tax on dividend) and transfer to reserves.
- v) General Reserve : General reserve is created on account of vested employee stock option lapsed/exercised, in accordance with the Companies Act, 2013.
- vi) Employee stock option reserve : Employee stock option reserve accounts represents reserve created on fair value of options against the options outstanding as at balance sheet date.

Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2023

NOTE 20 : INTEREST INCOME

(₹ in Millions)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest on deposits with banks *	650.90	434.25
Interest on loan (Margin Trading Funding Facilities)	368.02	375.66
Other interest income [@]	0.00	0.00
Total	1,018.92	809.91

[@]Amount is less than ₹ 0.01 million, hence shown ₹ 0.00 million

*Includes interest received on fixed deposit with bank which are pledged with exchanges for margin purpose.

NOTE 21 : FEES AND COMMISSION INCOME

(₹ in Millions)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Brokerage & related income	2,139.90	1,957.85
Commission & other advisory fees (including cross sell)	219.83	201.88
Total	2,359.73	2,159.74

NOTE 22 : OTHER INCOME

(₹ in Millions)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest Income	3.87	0.14
Capital Gain	-	5.73
Gain on financial assets measured at fair value through profit & loss account	-	3.89
Other Income	11.16	0.41
Total	15.03	10.16

NOTE 23 : FINANCE COST MEASURED AT AMORTISED COST

(₹ in Millions)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest on borrowings	162.67	198.79
Other borrowing cost	43.67	19.90
Total	206.34	218.69

NOTE 24 : EMPLOYEE BENEFIT EXPENSES

(₹ in Millions)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries/wages and bonus	549.77	377.94
Contribution to provident and other funds	19.30	12.93
Share based payments*	6.53	20.20
Staff welfare expenses	4.91	3.78
Gratuity (As per actuarial report)	3.70	3.20
Leave encashment (As per actuarial report)	6.53	3.88
Total	590.74	421.93

*After considering reversal of unvested options lapsed during the year.

Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2023

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

A) Defined Benefit Plans:

(i) Reconciliation of opening and closing balances of Defined Benefit Obligation

(₹ in Millions)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Defined benefit obligation as at beginning of year	17.70	15.89
Interest cost	1.20	1.04
Current service cost	3.59	3.15
Service Cost	-	-
Liability transferred In/ acquisitions	0.34	2.69
(Liability transferred out/ divestments)	(0.25)	(1.34)
(Benefit paid directly by the Employer)	-	-
(Benefit paid from the fund)	(1.29)	(1.88)
Actuarial (gains)/losses on obligations - due to change in demographic assumptions	-	0.01
Actuarial (gains)/losses on obligations - due to change in financial assumptions	(2.50)	(0.96)
Actuarial (gains)/losses on obligations - due to experience	5.31	(0.91)
Defined benefit obligation at the end of the year	24.10	17.70

(ii) Reconciliation of opening and closing balances of fair value of Plan Assets

(₹ in Millions)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Change in the fair value of plan assets	-	-
Fair value of plan assets at the beginning of the year	16.03	15.07
Interest income	1.09	0.99
Contributions by the employer	4.00	2.00
Expected return on plan assets (excluding interest)	-	-
Assets transferred in/acquisitions	-	-
(Benefit paid from the fund)	(1.30)	(1.88)
Return on plan Assets, excluding interest income	(0.72)	(0.15)
Fair value of plan assets at the end of the year	19.10	16.03

(iii) Amount Recognized in the Balance Sheet

(₹ in Millions)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(Present Value of Benefit Obligation at the end of the year)	(24.10)	(17.70)
Fair value of Plan Assets at the end of the year	19.11	16.03
Funded Status - Surplus / (Deficit)	(4.99)	(1.67)
Net (liability)/Asset recognized in the balance sheet (surplus/ (deficit))	(4.99)	(1.67)

Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2023

(iv) Expenses recognised during the year

Particulars	(₹ in Millions)	
	For the year ended March 31, 2023	For the year ended March 31, 2022
In Income statement		
Current service cost	3.59	3.15
Net interest cost	0.10	0.05
Past service cost	-	-
Expense recognised in the Statement of Profit and Loss under "Employee benefits expenses"	3.70	3.20
In other comprehensive income		
Actuarial (gains)/Losses on obligation for the period	2.81	(1.86)
Return on plan assets, excluding interest income	0.72	0.15
Change in asset ceiling	-	-
Net (income)/expense for the year recognized in OCI	3.53	(1.71)

(v) Balance sheet reconciliation

Particulars	(₹ in Millions)	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening net liability	1.67	0.82
Expenses Recognized in Statement of Profit or Loss	3.70	3.20
Expenses Recognized in OCI	3.53	(1.71)
Net Liability/(Asset) Transfer In	0.34	2.69
Net (Liability)/Asset Transfer Out	(0.25)	(1.34)
(Benefit Paid Directly by the Employer)	-	-
(Employer's Contribution)	(4.00)	(2.00)
Net liability/(asset) recognized in the balance sheet	4.99	1.67

(vi) Investment Details

Particulars	(₹ in Millions)	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Category of assets		
Insurance fund	19.11	16.03
Total	19.11	16.03

(vii) Actuarial assumptions

Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022	
	Expected return on plan assets	7.39%	6.84%	7.39%
Rate of discounting	7.39%	6.84%	10.00%	10.00%
Rate of salary increase	10.00%	10.00%	For service 4 years and below 42% p.a.	For service 4 years and below 42% p.a.
Rate of employee turnover	For service 5 years and above 1% p.a.	For service 5 years and above 1% p.a.	For service 4 years and below 42% p.a.	For service 5 years and above 1% p.a.
Mortality rate during employment	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality 2012-14 (Urban)
Mortality rate after employment	N.A.	N.A.	N.A.	N.A.

Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2023

- (a) The estimate of future salary increase, considered in the actuarial valuation, takes into account inflation, seniority, promotion, increments and other relevant factors.
- (b) The Expected Rate of Return on Plan Assets is determined considering several applicable factors, mainly the composition of Plan Assets held assessed risks, historical results of return on Plan Assets and the holding company's policy for Plan Assets Management.

(viii) Sensivity analysis

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

Particulars	(₹ in Millions)	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Projected Benefit Obligation on Current Assumptions	24.10	17.51
Delta Effect of +1% Change in Rate of Discounting	(4.11)	(3.07)
Delta Effect of -1% Change in Rate of Discounting	4.23	3.89
Change in Salary Escalation Rate		
Delta Effect of +1% Change in Rate of Salary Increase	3.25	2.87
Delta Effect of -1% Change in Rate of Salary Increase	(3.06)	(2.48)
Change in Employee Turnover Rate		
Delta Effect of +1% Change in Rate of Employee Turnover	(0.48)	(0.63)
Delta Effect of -1% Change in Rate of Employee Turnover	0.57	0.76

These plans typically expose the holding company to following risks:

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

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

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

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

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

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

Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2023

(ix) Maturity Analysis of the Benefit Payments: From the Fund

(₹ in Millions)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Projected benefits payable in future years from the date of reporting :		
1 st Following Year	0.95	0.14
2 nd Following Year	0.26	0.17
3 rd Following Year	0.28	0.19
4 th Following Year	0.32	0.21
5 th Following Year	0.35	0.23
Sum of Years 6 To 10	2.25	1.50
Sum of Years 11 and above	102.48	78.49

B) Defined Contributions Plans

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

(₹ in Millions)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Contribution to provident fund	12.17	6.85
Contribution to ESIC	0.93	0.79
Contribution to labour welfare fund	0.03	0.02
Contribution to EPS	6.17	5.27
Contribution to NPS	1.10	0.59
Total	20.40	13.53

*Amount is less than ₹ 0.01 million, hence shown ₹ 0.00 million.

NOTE 25 : DEPRECIATION, AMORTIZATION AND IMPAIRMENT

(₹ in Millions)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation on property, plant and equipment and Right of use *	66.78	37.87
Amortization of intangible assets	21.16	12.42
Total	87.94	50.29

* Depreciation includes depreciation on right of use assets (Refer note 11)

NOTE 26 : OTHER EXPENSES

(₹ in Millions)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Advertisement & Marketing Expenses (Including branding)	558.48	960.81
Books & Periodicals Charges	1.06	0.51
Exchange and Statutory Charges *	173.10	67.55
Bank Charges	1.63	14.55
Communication Expense	32.38	56.76
Electricity Charges	13.48	10.07

Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2023

(₹ in Millions)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Professional Charges	317.93	356.81
Office Expenses	97.47	100.30
Meeting, Seminar & Subscription Charges	1.26	1.44
Directors Remuneration/Sitting Fees	1.67	1.61
Postage And Courier	0.93	0.68
Printing And Stationery	1.65	1.13
Bad-Debts Written off	51.79	-
Expected Credit Loss	34.77	108.33
Insurance	0.41	0.34
Rates & Taxes	1.53	1.60
Repairs & Maintenance		
- Computer	0.21	1.15
- Others	1.45	1.24
Remuneration To Auditors :		
- As Auditors - Statutory Audit	1.37	1.37
- Certification Work And Other Matters	0.18	0.42
- Out Of Pocket Expenses	0.01	0.38
Software Charges	605.14	406.30
Travelling and Conveyance	16.07	9.47
Loss On Sale Of Property,Plant And Equipment	-	0.15
Loss On Financial Assets Measured At Fair Value Through Profit & Loss Account	11.08	-
Corporate Social Responsibility Expense (Refer note 37)	2.16	-
Miscellaneous Expenses	0.56	0.91
Total	1,927.77	2,103.86

*In adherence to the Exchange directives vide their circulars no. NSE/INSP/4519 dated July 31, 2020 and NSE/INSP/49929 dated October 12, 2021, the holding company had reversed an amount of ₹ 709 lacs to its eligible clients during the year, being the amount recovered from such clients on account of penalty levied by clearing corporation on holding company for "Short Collection/Non-collection of upfront margins from the client".

NOTE 27 : INCOME TAX

Amount Recognised in profit or (loss)

(₹ in Millions)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Current tax expenses		
Current Year	83.18	-
Changes in estimates related to prior years	-	-
Deferred tax expenses		
Origination and reversal of temporary differences	62.04	47.68
Total (i) + (ii)	145.22	47.68

Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2023

Reconciliation of effective tax rates:

(₹ in Millions)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit before tax	580.89	185.04
Tax using domestic tax rates	25.17%	25.17%
Tax amount	146.20	46.57
Tax effect of :		
Non-deductible expenses	0.58	1.11
Tax-exempt income	(1.12)	-
Recognition of previously unrecognised deductible temporary differences	(0.45)	-
Total Income Tax Expense	145.22	47.68

NOTE 28 : EARNING PER SHARE (EPS)

(₹ in Millions)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Face value of equity shares in ₹ fully paid up	10	10
BASIC		
Profit after tax as per statement of profit and loss (A)	435.67	137.36
Weighted average number of equity shares outstanding (B)	30,214,614	29,112,826
Basic Earning per Share (₹) A/B	14.42	4.72
DILUTED		
Weighted average number of equity shares for computation of basic EPS	30,214,614	29,112,826
Add: Potential equity shares on account conversion of Employees Stock Options	178,274	260,874
Weighted average number of equity shares for computation of diluted EPS (C)	30,392,888	29,373,701
Diluted Earning per Share (₹) A/C	14.33	4.68

NOTE 29 : CAPITAL, OTHER COMMITMENTS AND CONTINGENT LIABILITIES AT BALANCE SHEET DATE:

Capital and other commitment

(₹ in Millions)

Particulars	March 31, 2023	March 31, 2022
(i) Capital Commitment	10.87	65.32
(ii) Other Commitment	-	-

Contingent Liabilities

(₹ in Millions)

Particulars	March 31, 2023	March 31, 2022
(i) Bank Guarantees	4,970.00	2,000.00
(ii) In respect of Legal Case/Penalties	2.27	-
Total	4,972.27	2,000.00

Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2023

NOTE 30 : ASSETS PLEDGED AS SECURITY

The carrying amounts of assets pledged as security for borrowings are:

Particulars	(₹ in Millions)	
	As at March 31, 2023	As at March 31, 2022
Financial assets		
First charge		
Fixed Deposits - lien marked	2,667.55	3,185.40
Other financial assets	2,378.85	3,111.36
Total assets pledged as security	5,046.40	6,296.76

NOTE 31 : FINANCIAL RISK MANAGEMENT

31 A.1. Credit Risk

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

Credit quality analysis

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

Particulars	As at March 31, 2023			Total
	Financial Assets where loss allowance measured at 12-month ECL	Financial assets for which credit risk has increased significantly and credit not impaired	Financial assets for which credit risk has increased significantly and credit impaired	
Trade receivables	0.78	-	-	0.78
Less : Impairment loss allowance	-	-	-	-
Carrying amount	0.78	-	-	0.78
Other Financial Assets	1,273.91	47.94	170.70	1,492.56
Less : Impairment loss allowance	-	(19.18)	(170.70)	(189.88)
Carrying amount	1,274.69	28.77	-	1,303.46

Particulars	As at March 31, 2022			Total
	Financial Assets where loss allowance measured at 12-month ECL	Financial assets for which credit risk has increased significantly and credit not impaired	Financial assets for which credit risk has increased significantly and credit impaired	
Trade receivables	0.28	-	-	0.28
Less : Impairment loss allowance	-	-	-	-
Carrying amount	0.28	-	-	0.28
Other Financial Assets	994.05	185.46	56.51	1,236.02
Less : Impairment loss allowance	-	(98.73)	(56.51)	(155.24)
Carrying amount	994.05	86.73	-	1,080.79

Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2023

Movement of ECL (Trade receivable and other financial assets)

(₹ in Millions)

Particulars	Financial assets for which credit risk has increased significantly and credit not impaired	Financial assets for which credit risk has increased significantly and credit impaired	Total
March 31, 2021	29.43	18.28	47.71
Increase/(Decrease) net	(24.19)	131.72	107.53
March 31, 2022	5.24	150.00	155.24
Increase/(Decrease) net	13.94	20.70	34.64
March 31, 2023	19.18	170.70	189.88

31 A.2. Collateral held

The holding company holds collateral of securities in form of share, mutual funds and other credit enhancements against its credit exposures.

31 A.3. Measurement of Expected Credit Loss

The holding company has applied the impairment requirements of Ind AS 109 and has used reasonable and supportable information on best efforts basis & that is available without undue cost or effort to determine the credit risk at the reporting date.

31 B. Liquidity risk

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

The table below analyse the company financial liability into relevant maturity companying based on their contractual maturity. The amount disclosed in the table are the contractual undiscounted cash flows. Balance due within 1 year equals their carrying balances as the impact of discounting is not significant

(₹ in Millions)

Particulars	Carrying amount up to 1 year		Carrying amount from 1 year to 5 year	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Trade payables & other payable	580.01	540.72	-	-
Working capital demand Loan	300.00	-	-	-
Loan from related parties	-	-	-	-
Bank overdraft	1,392.83	2,789.76	-	-
Other financial liabilities	9,395.14	8,923.13	6.73	11.59
Total	11,667.98	12,253.61	6.73	11.59

31 C. Market risk

Market risk is the risk of any loss in future earnings, in realizable fair values or in futures cash flows that may result from a change in the price of a financial instrument.

Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2023

31 C.1. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest rate change does not affect significantly short term borrowing and current investment therefore the holding company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt and Non current investment.

Holding company business is volatile and hence borrowings are done bases on requirement, generally borrowings are done for short term and are on market based interest rate.

The following table shows sensitivity analysis for impact on interest cost.

Particulars	(₹ in Millions)	
	As at March 31, 2023	As at March 31, 2022
Bank overdraft	1,392.83	2,789.76
Working capital demand loan	300.00	-
Applicable rate & 12 months weighted average rate	7.83%	6.50%
Annualised interest cost	162.67	198.79

Sensitivity analysis for impact on interest cost

Particulars	(₹ in Millions)	
	As at March 31, 2023	As at March 31, 2022
Increase in 1% change in ROI	17.58	27.90
Decrease in 1% change in ROI	(17.58)	(27.90)

31 C.2. Fair value sensitivity analysis for fixed-rate instruments

The Holding company does not have any fixed-rate instruments presented in financial liabilities.

31 C.3. Exposure to currency risks

The holding company does not have any exposure to foreign exchange risk arising form foreign currency transaction.

31 C.4. Exposure to derivative risks

The holding company does not have any long-term contracts including derivative contracts for which there are any material foreseeable losses.

31 C.5. Exposure to Price Risk

The holding company exposure to price risk arising form investment held by the company and is classified in the balance sheet through fair value through profit & loss account. holding company has investment in Exchange Traded Funds under various scheme and its exposure.

Particulars	(₹ in Millions)		
	Exchange Traded Fund	Mutual Fund	Total
Market Value as on March 31, 2023	64.08	17.41	81.49
Market Value as on March 31, 2022	122.10	17.96	140.06

The effect of upward movement of 5% in the price affects the projected net income by ₹ 3.20 million and for forward downward movement of 5% the projected net loss will be ₹ 3.20 million for FY 2023-24.

Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2023

31 D. Capital Management

The holding company's objective when managing capital are to

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

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

The holding company's strategy is to maintain gearing ratio as per industry norms. The gearing ratio is as follows:

Particulars	(₹ in Millions)	
	March 31, 2023	March 31, 2022
Total debt	1,692.83	2,789.76
Cash & cash equivalent (excluding client bank balance)	(10.78)	(5.31)
Net debt	1,682.05	2,784.45
Total equity	4,632.56	3,739.75
Net debt to equity	0.36	0.74

31 E. Fair values of financial instruments

The holding company measures fair values using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements.

- Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.
- Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs that are not observable and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The holding company uses widely recognised valuation models to determine the fair value of common and simple financial instruments, such as interest rate and currency swaps, that use only observable market data and require little management judgement and estimation. Observable prices or model inputs are usually available in the market for listed debt and equity securities, exchange-traded derivatives and simple OTC derivatives such as interest rate swaps. The availability of observable market prices and model inputs reduces the need for management judgement and estimation and also reduces the uncertainty associated with determining fair values.

The following table analyses financial instruments measured at fair value at the reporting date, by the level in the fair value hierarchy into which the fair value measurement is categorised.

The amounts are based on the values recognised in the statement of financial position. The fair values include any deferred differences between the transaction price and the fair value on initial recognition when the fair value is based on a valuation technique that uses unobservable inputs.

Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2023

31 E.1. : Fair Value of Financial Instruments - Financial Instrument by Category

(₹ in Millions)

Particulars	As at March 31, 2023			As at March 31, 2022		
	Fair Value through Profit or loss	Amortised Cost	Carrying Value	Fair Value through Profit or loss	Amortised Cost	Carrying Value
Financial Asset						
(a) Cash and cash equivalents	-	209.30	209.30	-	894.12	894.12
(b) Bank balance other than (a) above	-	12,802.59	12,802.59	-	11,111.29	11,111.29
(c) Receivables						
(I) Trade receivables	-	0.78	0.78	-	0.28	0.28
(II) Other receivables	-	-	-	-	-	-
(d) Loans	-	1,726.54	1,726.54	-	2,516.53	2,516.53
(e) Investments						
(i) Investment in Mutual Fund	17.41	-	17.41	17.96	-	17.96
(ii) Exchange Traded Fund	81.49	-	81.49	122.10	-	122.10
(f) Other financial assets	-	1,302.68	1,302.68	-	1,080.79	1,080.79
Total	98.90	16,041.89	16,140.79	140.06	15,603.01	15,743.06
Financial Liabilities						
(a) Trade payables	-	11.72	11.72	-	13.01	13.01
(b) Other payables	-	568.29	568.29	-	527.71	527.71
(c) Borrowings (Other than debt securities)	-	1,692.83	1,692.83	-	2,789.76	2,789.76
(d) Other financial liabilities	-	9,401.87	9,401.87	-	8,934.72	8,934.72
Total	-	11,674.71	11,674.71	-	12,265.20	12,265.20

31 E.2. Financial instruments measured at fair value – Fair value hierarchy

(₹ in Millions)

Financial instruments measured at fair value	Recurring fair value measurements as at March 31, 2023			
	Level 1	Level 2	Level 3	Total
Exchange Traded Fund	64.08	-	-	64.08
Mutual Fund	17.41	-	-	17.41
Total Assets	81.49	-	-	81.49

(₹ in Millions)

Financial instruments measured at fair value	Recurring fair value measurements as at March 31, 2022			
	Level 1	Level 2	Level 3	Total
Exchange Traded Fund	122.10	-	-	122.10
Mutual Fund	17.96	-	-	17.96
Total Assets	140.06	-	-	140.06

31 E.3. Financial instruments not measured at fair value

The following table sets out the fair values of financial instruments not measured at fair value and analyses them by the level in the fair value hierarchy into which each fair value measurement is categorised.

Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2023

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the holding company's Financial Statement. These fair value is calculated for disclosures purpose only.

Short Term financial assets and liabilities

For Financial assets and liabilities that have a short term nature, the carrying amount, which is net of impairment, are a reasonable approximation of their fair value. Such instruments include cash and bank balances, trade receivables, other receivables, balances other than cash and cash equivalents and trade payables.

(₹ in Millions)

Particulars	As at March 31, 2023		
	Carrying Value	Fair Value	Fair Value Hierarchy
Assets			
Investment in Equity Share of Subsidiaries (at cost)	-	-	-
Cash and cash equivalents	209.30	209.30	-
Bank balance	12,802.59	12,802.59	-
Trade and other receivable	0.78	0.78	-
Loans	1,726.54	1,726.54	-
Security deposit with Landlord	13.48	13.48	Level 3
Other financial asset	1,289.20	1,289.20	-
Total Assets	16,041.89	16,041.89	-
Liabilities			
Borrowings	1,692.83	1,692.83	-
Trade and other payables	580.01	580.01	-
Other financial liabilities	9,401.87	9,401.87	-
Total Liabilities	11,674.71	11,674.71	-

(₹ in Millions)

Particulars	As at March 31, 2022		
	Carrying Value	Fair Value	Fair Value Hierarchy
Assets			
Investment in Equity Share of Subsidiaries (at cost)	-	-	-
Cash and cash equivalents	894.12	894.12	-
Bank balance	11,111.29	11,111.29	-
Trade and other receivable	0.28	0.28	-
Loans	2,516.53	2,516.53	-
Security deposit with Landlord	12.81	12.81	Level 3
Other financial asset	1,067.98	1,067.98	-
Total Assets	15,603.01	15,603.01	-
Liabilities			
Borrowings	2,789.76	2,789.76	-
Trade and other payables	540.72	540.72	-
Other financial liabilities	8,934.72	8,934.72	-
Total Liabilities	12,265.20	12,265.20	-

Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2023

31 E.4. Movements In Level 1 Financial Instruments Measured At Fair Value:

(₹ in Millions)

Particulars	Mutual Fund	Exchange Traded Fund	Total
Balances as at April 1, 2022	17.96	122.10	140.06
Purchase	1.29	1,838.13	1,839.42
Sale/Redemption of financial instrument	(2.80)	(1,888.47)	(1,891.27)
Total gain/(losses) recognised in profit and loss	0.95	(7.68)	(6.72)
Balances as at March 31, 2023	17.41	64.08	81.49

(₹ in Millions)

Particulars	Mutual Fund	Exchange Traded Fund	Total
Balances as at April 1, 2021	33.76	51.53	85.29
Purchase	3.30	311.91	315.21
Sale/Redemption of financial instrument	(19.85)	(241.27)	(261.12)
Total gain/(losses) recognised in profit and loss	0.76	(0.07)	0.68
Balances as at March 31, 2022	17.96	122.10	140.06

31 E.5. Measurement of fair value

The fair Values of Investments in Exchange Traded Funds is based on last traded price as at the Balance Sheet date.

The table which shows the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used is as follows:

Type	Valuation technique	Significant unobservable inputs	Range	Sensitivity of the input to fair value Change in discount rate by 500 basis points would increase/ (decrease) as below
Financial Assets:				
Investment in Exchange Traded Funds	Exchange Traded Fund fair value is using input based on information /other data that are available	Not Applicable	Not Applicable	Not Applicable
Investment in Mutual Funds	Mutual Funds are measured based on the published net asset value (NAV) by AMFI and are classified as level 1	Not Applicable	Not Applicable	Not Applicable

NOTE 32 : SEGMENT REPORTING

In the opinion of the management, there is only one reportable business segment as envisaged by Ind AS 108 on 'Operating Segment' issued by Institute of Chartered accountant of India. Accordingly, no separate disclosure for segment reporting is required to be made in the financial statements of the group company. Secondary segmentation based on geography has not been presented as the holding company operates primarily in India and the holding company perceives that there is no significant difference in its risk and returns in operating from different geographic areas within India.

Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2023

NOTE 33 : RELATED PARTY TRANSACTION

As Per IND AS 24, the disclosures of transaction with the related parties are given below :

(A) List of related parties where control exists

Relationship	Name of the related party
Directors & its Relatives	Mr Prakarsh Gagdani- Whole Time Director & CEO
	Mr Gourav Munjal- Whole Time Director & CFO
	Dr. Archana Hingorani - Independent Director (w.e.f. Jun 07, 2017)
	Mrs Nirali Sanghi - Independent Director (w.e.f. Jan 11, 2018)
	Mr Milin Mehta - Independent Director (w.e.f. Apr 01, 2020)
	Mr Ravindra Garikipati - Independent Director (w.e.f. Sep 03, 2020)
Key Management Personnel	Mrs Namita Godbole- Company Secretary
Subsidiaries	5Paisa P2P Limited
	5paisa Corporate Services Limited (Formerly known as 5Paisa Insurance Brokers Limited) ^{***}
	5paisa International Securities (IFSC) Limited (Incorporated on 15/06/2022)
	5Paisa Trading Limited
Other Related Parties	IIFL Finance Limited
	IIFL Securities Limited
	IIFL Commodities Limited
	IIFL Management Services Limited
	Livlong Insurance Brokers Limited (Formerly, IIFL Insurance Brokers Limited)
	Livlong Protection & Wellness Services Limited (Formerly known as IIFL Corporate Services Limited)
	360 One WAM Limited (Formerly known as IIFL Wealth Management Limited)
	IIFL Facilities Services Limited
	IIFL Wealth (UK) Limited
	IIFL Capital Inc
	IIFL Open Fintech Private Limited
	IIFL Sales Limited ^{**}
	IIFL Home Finance Limited
	IIFL Samasta Finance Limited
	360 ONE Capital PTE. LTD. (Formerly known as IIFL Capital PTE. Limited)
	360 ONE Asset Management Limited (Formerly Known as IIFL Asset Management Limited)
	IIFL Wealth Prime Limited (Formerly known as IIFL Wealth Finance Limited)
	360 ONE Asset Trustee Limited (Formerly known as IIFL Trustee Limited)
	IIFL Wealth Distribution Services Limited (Formerly known as IIFL Distribution Services Limited)
	360 ONE Investment Adviser and Trustee Services Limited (Formerly known as IIFL Investment Adviser and Trustee Services Limited)
	360 ONE Private Wealth (Dubai) Limited (formerly known as IIFL Private Wealth Management Dubai Limited)
	360 ONE Asset Management (Mauritius) Limited (Formerly known as IIFL Asset Management (Mauritius) Limited)
	360 ONE INC (Formerly known as IIFL INC)
	360 ONE Capital (Canada) Limited (Formerly known as IIFL Capital (Canada) Limited)
	360 ONE IFSC Limited (Formerly known as IIFL Wealth Securities IFSC Limited)
	IIFL Securities Services IFSC Limited
	360 ONE Portfolio Managers Limited (Formerly known as IIFL Wealth Portfolio Managers Limited)
	IIFL Wealth Altire Limited (Formerly known as IIFL Altire Advisors Limited) (Amalgamated with 360 ONE WAM Limited w.e.f. March 03, 2023)
	IIFL Wealth Capital Markets Limited (Formerly Known as L&T Capital Markets Limited) (Amalgamated with IIFL Wealth Prime Limited w.e.f. March 14, 2023) [*]

Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2023

Relationship	Name of the related party
	Meenakshi Towers LLP
	India Infoline Foundation
	MAVM Angels Network Private Limited
	Shreyans Foundations LLP
	MNJ Consultants Private Limited
	India Infoline Employee Trust
	Nirmal Madhu Family Private Trust
	Sunder Bhanwar Ventures Private Limited
	360 One Foundation (Formerly known as IIFLW CSR Foundation)
	Mr. Venkataraman Rajamani
	Mrs. Aditi Athavankar (wife of Venkataraman Rajamani)
	Mr. Nirmal Jain
	Mrs. Madhu Jain (wife of Nirmal Jain)
	Mrs. Aditi Athavankar (in capacity of Kalki Family Private Trust)
	Orpheus Trading Pvt. Limited
	Ardent Impex Pvt Limited
	Sharad Gagdani
	Prakarsh Sharad Gagdani - HUF
	Mrs Kalpana Gagdani (mother of Prakarsh Gagdani)
	Mrs Punam Gagdani (wife of Prakarsh Gagdani)

*IIFL Wealth Capital Markets Limited is Step-Down Subsidiary of IIFL Wealth Management Limited.

** IIFL Sales Limited is Step-down Subsidiary of IIFL Finance Limited

*** Name of 5paisa Insurance Brokers Limited changed to 5paisa Corporate Services Limited with effect from November 16, 2022

(B) Significant transactions with related parties during the year

Nature of transaction	(₹ in Millions)	
	2022-23	2021-22
Referral Income/Service Income/Brokerage Income/Depository Participate Income. etc. :-		
a) Other Related Parties		
IIFL Asset Management Limited	-	0.00
b) Directors, Key Managerial Persons & their relatives		
Mr Prakarsh Gagdani	0.03	0.00
Mr Gourav Munjal	0.00	0.00
Mrs Namita Godbole	0.00	-
Prakarsh Sharad Gagdani - HUF	0.00	0.00
Mrs Kalpana Gagdani	0.03	0.01
Mrs Punam Gagdani	0.00	0.00
Mr Sharad Muralidhar Gagdani	0.00	-
Advisory Fees:		
a) Other Related Parties		
IIFL Securities Limited	-	47.72
Security Deposit:		
a) Other Related Parties		
IIFL Facilities Services Limited	7.81	7.81
IIFL Securities Limited	3.53	3.07
IIFL Management Services Limited	0.05	-

Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2023

(₹ in Millions)

Nature of transaction	2022-23	2021-22
Remuneration:		
Mr. Prakarsh Gagdani	17.57	12.81
Mr. Gourav Munjal	5.12	4.77
Mrs. Namita Godbole	5.11	4.84
Sitting Fees:		
Dr. Archana Hingorani	0.38	0.45
Mrs Nirali Sanghi	0.41	0.36
Mr Milin Mehta	0.41	0.42
Mr Ravindra Garikipati	0.24	0.23
Rent Expense :		
a) Other Related Parties		
IIFL Facilities Services Limited	17.97	16.41
IIFL Securities Limited	6.18	6.14
IIFL Management Services Limited	0.05	-
Interest Expenses Inter Corporate Deposit:		
a) Other Related Parties		
IIFL Finance Limited	34.72	50.73
Inter Corporate Deposit Taken :		
a) Other Related Parties		
IIFL Finance Limited	7,000.00	6,000.00
Inter Corporate Deposit Repaid :-		
a) Other Related Parties		
IIFL Finance Limited	7,000.00	6,000.00
Allocation / Reimbursement of expenses Paid :		
a) Other Related Parties		
IIFL Finance Limited	15.53	8.71
IIFL Facilities Services Limited	14.57	10.37
IIFL Home Finance Limited	0.02	0.00
IIFL Securities Limited	54.53	56.94
Allocation / Reimbursement of expenses Received :		
a) Other Related Parties		
IIFL Securities Limited	13.97	-
IIFL Finance Limited	0.42	0.42
IIFL Home Finance Limited	0.18	-
Others Paid :-		
a) Other Related Parties		
IIFL Securities Limited	2.13	2.37
IIFL Finance Limited	2.03	1.00
IIFL Home Finance Limited	0.22	0.33
Livlong Insurance Brokers Limited	0.07	-
Livlong Protection & Wellness Services Limited	0.02	-

Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2023

(₹ in Millions)

Nature of transaction	2022-23	2021-22
Others Received :		
a) Other Related Parties		
Livlong Insurance Brokers Limited	0.00	0.11
IIFL Securities Limited	3.71	2.53
IIFL Management Services Limited	0.09	-
IIFL Home Finance Limited	0.48	0.87
IIFL Finance Limited	2.19	3.29
IIFL Facilities Services Limited	0.02	-
Livlong Protection & Wellness Services Limited	0.59	0.49

(C) Closing Balance

(₹ in Millions)

Nature of transaction	2022-23	2021-22
Sundry Payable :		
a) Other Related Parties		
IIFL Facilities Services Limited	-	0.81
IIFL Management Services Limited (Formerly India Infoline Insurance Services Limited)	0.03	-
IIFL Securities Limited	-	3.71
b) Directors & Relatives		
Mr Prakarsh Gagdani	0.08	0.02
Mr Gourav Munjal	-	0.00
Mrs Kalpana Gagdani	0.02	0.09
Mr Prakarsh Gagdani (HUF)	0.00	0.15
Security Deposit		
a) Other Related Parties		
IIFL Securities Limited	3.53	3.07
IIFL Facilities Services Limited (Formerly Known as IIFL Realty limited)	7.81	7.81
IIFL Management Services Limited (Formerly India Infoline Insurance Services Limited)	0.05	-
Sundry Receivable :		
a) Other Related Parties		
IIFL Finance Limited (Formerly IIFL Holdings Limited)	0.19	1.69
IIFL Home Finance Limited (Formerly India Infoline Housing Finance Limited)	-	0.06
IIFL Securities Limited	6.98	-
Livlong Insurance Brokers Limited	-	0.04
Livlong Protection & Wellness Services Limited	0.69	0.58
b) Director & Relatives		
Mr Gourav Munjal	0.00	-
Mrs Punam Gagdani	0.00	0.00
Mr Sharad Gagdani	0.00	-
Mrs Namita Godbole	0.00	0.00

@Amount is less than ₹ 0.01 million, hence shown ₹ 0.00 million.

Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2023

NOTE: 34. The holding company has implemented Employee Stock Option Scheme 2017 (ESOP Scheme) and has outstanding options granted under the said scheme. The options vest in a graded manner and are required to be exercised within specified period as per the terms of the grant approved by the Nomination and Remuneration Committee of the Company and conditions of the ESOP Scheme.

a) The details of various Employee Stock Option Schemes are as under:

Particulars	ESOP 2017
Method of Accounting	Fair Value of options
Vesting Plan	Options granted would vest over a period of five years subject to minimum period of one year from the date of grant of options.
Exercise Period	Seven Years from the grant date

b) Movement of options during the year ended March 31, 2023

Particulars	Option Outstanding (in numbers)	Range of exercise Price (in ₹)**	Weight average exercise price (in ₹)	Weight average remaining contractual life (in Years)
Outstanding as on March 31, 2021	765,750	157.30 to 282	-	4.84
Exercisable as on March 31, 2021	765,750	157.30 to 282	-	-
Granted during the year	197,500	398 to 530	-	-
Forfeited during the year	-	-	-	-
Expired/Lapsed during the year	112,500	-	-	-
Exercised during the year **	84,000	157.53 to 194	162.96	-
Outstanding as on March 31, 2022	766,750	157.30 to 530	-	5.30
Exercisable as on March 31, 2022	766,750	157.30 to 530	-	-
Granted during the year	231,600	284 to 371	-	-
Forfeited during the year	-	-	-	-
Expired/Lapsed during the year	82,750	-	-	-
Exercised during the year **	18,250	157.53 to 194	172.52	-
Outstanding as on March 31, 2023	897,350	157.30 to 530	-	5.84
Exercisable as on March 31, 2023	897,350	157.30 to 530	-	-

*Exercise price has been calculated after giving effect of additional options granted to employee consequent to rights issue as approved by the board.

** During the year 18,250 options has been exercised by the employee.

(c) The holding Company has granted 231,600 options during the year.

Fair Value Methodology

The fair value of the Options granted has been estimated using the Black-Scholes option pricing Model. Each tranche of vesting have been considered as a separate grant for the purpose of valuation.

Stock Price: The fair value of the underlying stock based on the latest available closing Market Price on NSE has been considered for valuing the grant.

Volatility: Volatility is a measure of the amount by which a price has fluctuated or is expected to fluctuate during the period. The measure of volatility is used in the Black Scholes option-pricing model is the annualized standard deviation of the continuously compounded rates of return on the stock over a period of time.

Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2023

The period to be considered for volatility has to be adequate to represent a consistent trend in the price movements. It is also important that movement due to abnormal events get evened out. There is no research that demonstrates conclusively how long the historical period used to estimate expected long-term future volatility should be. However, informal tests and preliminary research tends to confirm that estimates of expected future long term volatility should be based on historical volatility for a period that approximates the expected life of the options being valued.

Risk-free rate of return: The risk-free rate being considered for the calculation is the interest rate applicable for a maturity equal to the expected life of the options based on the zero-coupon yield curve for Government Securities.

Exercise Price: The Exercise Price as communicated to us by the management of the holding company have been considered in the valuation.

Time to Maturity: Time to Maturity / Expected Life of Options is the period for which the holding company expects the Options to be live. The minimum life of a stock option is the minimum period before which the Options cannot be exercised and the maximum life is the period after which the Options cannot be exercised.

Expected dividend yield: The management's representation of the Expected dividend yield of 0% has been accepted for the purpose of this valuation.

NOTE 35:- THE TABLE BELOW SHOWS AN ANALYSIS OF ASSETS AND LIABILITIES ANALYED ACCORDING TO WHEN THEY ARE EXPECTED TO BE RECOVERED OR SETTLED.

(₹ in Millions)

Particulars	As at March 31, 2023			As at March 31, 2022		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS						
(1) Financial Assets						
(a) Cash and cash equivalents	209.30	-	209.30	894.12	-	894.12
(b) Bank Balance other than (a) above	12,242.79	559.80	12,802.59	10,891.99	219.30	11,111.29
(c) Receivables						
(I) Trade receivables	0.78	-	0.78	0.28	-	0.28
(II) Other receivables	-	-	-	-	-	-
(d) Loans	1,726.54	-	1,726.54	2,516.53	-	2,516.53
(e) Investments	2.99	78.50	81.49	66.56	73.50	140.06
(f) Other financial assets	1,245.64	57.04	1,302.68	1,022.67	58.12	1,080.79
Sub-total	15,428.04	695.34	16,123.38	15,392.15	350.92	15,743.07
(2) Non-Financial Assets						
(a) Current tax assets (net)	0.28	-	0.28	18.23	22.31	40.54
(b) Deferred tax assets (net)	-	70.69	70.69	-	131.85	131.85
(c) Property, Plant and Equipment	-	92.14	92.14	-	70.28	70.28
(d) Right to use assets	-	21.31	21.31	-	22.96	22.96
(f) Capital work-in-progress	-	-	-	-	2.27	2.27
(e) Other intangible assets	-	41.56	41.56	-	18.45	18.45
(f) Other non-financial assets	66.93	-	66.93	56.22	-	56.22
Sub-total	67.21	225.70	292.91	74.45	268.11	342.56
Total Assets	15,495.25	921.04	16,416.29	15,466.60	619.03	16,085.64
LIABILITIES						
(1) Financial Liabilities						
(a) Payables						
(I) Trade payables						

Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2023

(₹ in Millions)

Particulars	As at March 31, 2023			As at March 31, 2022		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
(i) Total outstanding dues of micro enterprises and small enterprises	0.34	-	0.34	0.03	-	0.03
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	11.38	-	11.38	12.98	-	12.98
(II) Other payables						
(i) Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	568.29	-	568.29	527.71	-	527.71
(b) Borrowings (Other than debt securities)	1,692.83	-	1,692.83	2,789.76	-	2,789.76
(c) Other financial liabilities	9,395.14	6.73	9,401.87	8,923.13	11.59	8,934.72
Sub-total	11,667.98	6.73	11,674.71	12,253.61	11.59	12,265.20
(2) Non-Financial Liabilities						
(a) Current tax Liabilities (net)	12.77	-	12.77	-	-	-
(b) Provisions	15.66	-	15.66	11.26	-	11.26
(c) Other non-financial liabilities	80.54	-	80.54	69.43	-	69.43
Sub-total	108.97	-	108.97	80.69	-	80.69
Total Liabilities	11,776.95	6.73	11,783.68	12,334.30	11.59	12,345.89
Net	3,718.30	914.31	4,632.61	3,132.30	607.44	3,739.75

NOTE 36 : SUMMARY OF CONSOLIDATION

a) Enterprises consolidated as subsidiary in accordance with Indian Accounting Standard 110 - Consolidated Financial Statements

Sr. No.	Name of subsidiaries	Country of Incorporation	Proportion of ownership interest	
			March 31, 2023	March 31, 2022
1	5paisa P2P Limited	India	100.00%	100.00%
2	5Paisa Corporate Services Limited (Formerly Known as 5Paisa Insurance Brokers Limited)	India	100.00%	100.00%
3	5paisa Trading Limited	India	100.00%	100.00%
4	5Paisa International Securities (IFSC) Limited	India	100.00%	-

Note:

- 5Paisa Corporate Services Limited (Formerly Known as 5Paisa Insurance Brokers Limited) has become a subsidiary of 5paisa Capital Limited in the year FY 2018-19.
- 5paisa Trading Limited has become a subsidiary of 5paisa Capital Limited in the year FY 2019-20.
- 5Paisa International Securities (IFSC) Limited has become a subsidiary of 5paisa Capital Limited in the year FY 2022-23.

Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2023

b) Additional information, as required under schedule III to the Companies Act, 2013, of enterprises consolidated as subsidiaries

Name of subsidiaries	Net Assets i.e. Total Assets minus Total Liabilities		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of consolidated Net Assets	₹ in Millions	As % of consolidated Profit or Loss	₹ in Millions	As % of consolidated Other Comprehensive Income	₹ in Millions	As % of consolidated Total Comprehensive Income	₹ in Millions
Holding Company								
5Paisa Capital Limited	100.76%	4,667.71	99.38%	432.96	100.00%	(2.64)	99.36%	430.32
Subsidiaries								
Indian								
1 5paisa P2P Limited	0.80%	36.88	0.46%	2.02	0.00%	-	0.47%	2.02
2 5Paisa Corporate Services Limited (Formerly Known as 5Paisa Insurance Brokers Limited)	0.01%	0.33	-0.01%	(0.03)	0.00%	-	-0.01%	(0.03)
3 5paisa Trading Limited	0.03%	1.25	0.18%	0.77	0.00%	-	0.18%	0.77
4 5Paisa International Securities (IFSC) Limited	0.11%	4.93	-0.02%	(0.07)	0.00%	-	-0.02%	(0.07)
Elimination	-1.69%	(78.50)	0.00%	0.01	0.00%	-	0.00%	0.01
Total	100.00%	4,632.61	100.00%	435.67	100.00%	(2.64)	100.00%	433.03

@ Amount is less than ₹ 0.01 million hence shown as ₹ 0.00 million

NOTE 37 : CORPORATE SOCIAL RESPONSIBILITY

During the period ended March 31, 2023 the holding company has spent ₹ 2.16 million out of the total amount of ₹ 2.16 million required to be spent as per section 135 of the Companies Act 2013 in respect of Corporate Social Responsibility [CSR]. The aforementioned amount has been contributed to India Infoline Foundation & other institutions.

No subsidiary is required to spend on CSR activities as per Section 135 of companies Act , 2013

Particulars	As at March 31, 2023	As at March 31, 2022
Amount required to be spent by the holding company during the year	2.16	N.A.
Amount of expenditure incurred	2.16	N.A.
Shortfall at the end of the year	-	N.A.
Total of previous years shortfall	N.A.	N.A.
Reason for shortfall	N.A.	N.A.
Nature of CSR activities	1. Promoting education 2. Training to promote National recognized sports 3. Promoting health care	N.A.
Details of related party transactions	Contributed to India Infoline Foundation, Child HELP Foundation	N.A.

Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2023

NOTE 38 :-

The group operates from and uses the premises, infrastructure and other facilities and services as provided to it by group companies which are termed as 'Shared Services'. Such shared services consisting of administrative and other revenue expenses paid for by the company were identified and recovered from them based on reasonable management estimates, which are constantly refined in the light of additional knowledge gained relevant to such estimation. These expenses are recovered on an actual basis and the estimates are used only where actual were difficult to determine.

NOTE 39 :- CODE ON SOCIAL SECURITY

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

NOTE 40 : RATIOS

Additional regulatory information required under (WB)(xvi) of Division III of Schedule III amendment, disclosure of ratios, is not applicable to the Company as it is in broking business and not an NBFC registered under Section 45-IA of Reserve Bank of India Act, 1934.

NOTE 41 : ADDITIONAL REGULATORY INFORMATION AS PER DIVISION III SCHEDULE III OF COMPANIES ACT, 2013

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

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

- c) The group company does not have any long-term contracts including derivative contracts for which there are any material foreseeable losses.
- d) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the group companies.
- e) No proceedings have been initiated or pending against the group companies for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988).
- f) The group companies has not been declared as wilful defaulter by any bank or financial Institution or other lender.
- g) During the year, the group companies has not entered into any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
- h) There are no transactions which have not been recorded in the books of accounts and which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- i) The quarterly returns / statements of current assets filed by the group companies, with banks from whom borrowings have been availed on the basis of security of current assets, are in agreement with the books of account.
- j) There are no charges or satisfaction yet to be registered with the registrar of companies beyond the statutory period.
- k) The group companies does not have layers beyond the number prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

NOTE 42 :- RECENT PRONOUNCEMENTS

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

Ind AS 1 - Presentation of Financial Statements - This amendment requires the entities to disclose their material

Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2023

accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the standalone financial statements.

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

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

NOTE 43 - ACQUISITION OF "ONLINE RETAIL TRADING BUSINESS" OF IIFL SECURITIES LTD.

The Board of the holding company in its meeting held on Tuesday, December 06, 2022 had considered and approved

the scheme of arrangement between IIFL Securities Limited ("Demerged Company") and 5paisa Capital Limited ("Resulting Company") and their respective shareholders and creditors ("Scheme"). The scheme, inter alia, provides for the demerger, transfer and vesting of the Online Retail Trading Business of the demerged company into the resulting company, on a going concern basis (with effect from the appointed date April 01, 2023) and in consideration thereof, the resulting company shall issue its equity shares to the shareholders of the demerged company. These shares shall be listed on Bombay Stock Exchange Limited and the National Stock Exchange of India Limited (collectively referred to as "stock exchanges"). The scheme is, inter alia, subject to receipt of the statutory, regulatory and customary approvals, including approvals from stock exchanges, National Company Law Tribunal, Mumbai Bench and the shareholders and creditors of the companies involved in the scheme and the holding company is in the process of seeking the same.

NOTE 44 :- COMPARATIVES

Previous year figures are re-grouped, re-classified and re-arranged, wherever considered necessary to confirm to current year's presentation.

As per our attached report of even date

For V Sankar Aiyar & Co.

Chartered Accountants

Firm's Registration No.109208W

By the hand of

Asha Patel

Partner

Membership No.: 166048

Place: Mumbai

Dated: May 01, 2023

For and on behalf of Board of Directors

Prakarsh Gagdani

Whole Time Director & CEO

(DIN: 07376258)

Gourav Munjal

Whole Time Director & CFO

(DIN: 06360031)

Namita Godbole

Company Secretary

CORPORATE INFORMATION

BOARD OF DIRECTORS

Dr. Archana Hingorani
Chairperson & Independent Director

Ms. Nirali Sanghi
Independent Director

Mr. Milin Mehta
Independent Director

Mr. Ravindra Garikipati
Independent Director

Mr. Narayan Gangadhar
Managing Director &
Chief Executive Officer ("CEO")*
**Appointed as CEO w.e.f. May 25, 2023
and Managing Director w.e.f. July 13, 2023*

Mr. Prakarsh Gagdani
Whole Time Director & Chief Business
Officer ("CBO")*
**Designated as CBO w.e.f. May 25, 2023*

Mr. Gourav Munjal
Whole Time Director &
Chief Financial Officer ("CFO")

COMMITTEES OF THE BOARD OF DIRECTORS (AS ON MARCH 31, 2023)

AUDIT COMMITTEE

Mr. Milin Mehta
Chairman, Independent Director

Dr. Archana Hingorani
Member, Independent Director

Ms. Nirali Sanghi
Member, Independent Director

NOMINATION AND REMUNERATION COMMITTEE

Ms. Nirali Sanghi
Chairperson, Independent Director

Dr. Archana Hingorani
Member, Independent Director

Mr. Milin Mehta
Member, Independent Director

Mr. Ravindra Garikipati
Member, Independent Director

STAKEHOLDERS' RELATIONSHIP COMMITTEE

Ms. Nirali Sanghi
Chairperson, Independent Director

Dr. Archana Hingorani
Member, Independent Director

Mr. Prakarsh Gagdani
Member, Whole-time Director & CEO

RISK MANAGEMENT COMMITTEE

Dr. Archana Hingorani
Chairperson, Independent Director

Mr. Prakarsh Gagdani
Member, Whole-time Director & CEO

Mr. Gourav Munjal
Member, Whole-time Director & CFO

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Mr. Milin Mehta
Chairman, Independent Director

Mr. Prakarsh Gagdani
Member, Whole-time Director & CFO

Mr. Gourav Munjal
Member, Whole-time Director & CFO

FINANCE COMMITTEE

Mr. Prakarsh Gagdani
Chairman, Independent Director

Mr. Gourav Munjal
Member, Whole-time Director & CFO

INDEPENDENT DIRECTORS COMMITTEE

Mr. Ravindra Garikipati
Chairperson, Independent Director

Ms. Nirali Sanghi
Member, Independent Director

Dr. Archana Hingorani
Member, Independent Director

Mr. Milin Mehta
Member, Independent Director

ENVIRONMENTAL, SOCIAL AND GOVERNANCE COMMITTEE

Ms. Nirali Sanghi
Chairperson, Independent Director

Mr. Gourav Munjal
Member, Whole-time Director & CFO

Ms. Namita Godbole
Member, Company Secretary &
Compliance Officer

COMPANY SECRETARY & COMPLIANCE OFFICER

Ms. Namita Amod Godbole

CHIEF FINANCIAL OFFICER

Mr. Gourav Munjal

CORE MANAGEMENT

Mr. Yogesh Maroli
Chief Information Security Officer

Mr. Vikram Sahni
Head – Call Center

Mr. Mayur Dedhia
Business Head – Broking

Mr. Arbind Sinha
Head – Operations & Risks

Mr. Dushyant Patel
Vice President – Technology

Mr. Shoaib Qureshi
Head – Customer Service & Onboarding

Mr. Vikrant Birajdar
Head – Human Resources

Ms. Namita Amod Godbole
Vice President – Legal & Compliance

AUDITORS

M/s. V. Sankar Aiyar & Co.
Chartered Accountants

INTERNAL AUDITORS

M/s. Mahajan & Aibara
Chartered Accountants

REGISTRAR AND SHARE TRANSFER AGENT

Link Intime (India) Private Limited
C-101, 247, Lal Bahadur Shastri Marg,
Gandhi Nagar, Vikhroli West,
Mumbai - 400 083.
Telephone no.: (0) 8108114949
Toll-free number: 1800 1020 878
Fax : 022 - 4918 6060
Investor Grievance
Email: rnt.helpdesk@linkintime.co.in
Website: www.linkintime.co.in

REGISTERED & CORPORATE OFFICE

5paisha Capital Limited
IIFL House, Sun Infotech
Park, Road no. 16,
Plot no. B-23, MIDC, Thane
Industrial Estate,
Wagle Estate, Thane – 400 604.
CIN: L67190MH2007PLC289249
Telephone No.: 022 4103 5000
Email: csteam@5paisha.com

LIST OF BANKERS

AU Small Finance Bank Limited
Axis Bank Limited
Bandhan Bank Limited
Canara Bank Limited
DCB Bank Limited
Equitas Small Finance Bank Limited
Federal Bank Limited
HDFC Bank Limited
ICICI Bank Limited
IDBI Bank Limited
IDFC First Bank Limited
Karur Vysya Bank Limited
Kotak Mahindra Bank Limited
Punjab National Bank Limited
Punjab & Sind Bank
RBL Bank Limited
SBM Bank Limited
South Indian Bank Limited
Ujjivan Small Finance Bank Limited
Union Bank of India
YES Bank Limited

5paisa Capital Limited

CIN: L67190MH2007PLC289249

Corporate Office / Registered Office:

IIFL House, Sun Infotech Park, Road No. 16, Plot No. B-23, MIDC,
Thane Industrial Estate, Wagle Estate, Thane – 400 604

E-mail: ir@5paisa.com | csteam@5paisa.com

Website: www.5paisa.com