

August 16, 2024

To, The Manager, Listing Department, BSE Limited, Phiroze Jeejeebhoy Tower, Dalal Street, Mumbai – 400 001. 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 – 400 051. NSE Symbol: 5PAISA
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Dear Sir/Madam,

Sub: Submission of Integrated Annual Report for the Financial Year 2023-24 (including Business Responsibility and Sustainability Report) along with the Notice convening the 17th (Seventeenth) Annual General Meeting (“AGM”) of 5paisa Capital Limited (“the Company”) scheduled to be held on Tuesday, September 10, 2024 through Video Conferencing (“VC”)/Other Audio-Visual Means (“OAVM”):

Ref: Disclosure under Regulation 34 read with Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 (“Listing Regulations”):

Pursuant to Regulation 34 read with Regulation 30 of the Listing Regulations, we enclose herewith the Integrated Annual Report for the Financial Year 2023-24 (including Business Responsibility and Sustainability Report) along with the Notice convening the 17th (Seventeenth) Annual General Meeting (“AGM”) of the Company scheduled to be held on Tuesday, September 10, 2024 at 11:30 A.M. (IST) through Video Conferencing (“VC”)/Other Audio-Visual Means (“OAVM”).

The Integrated Annual Report for the Financial Year 2023-24 (including Business Responsibility and Sustainability Report) along with the Notice is being sent through electronic mode to all the Members of the Company, whose e-mail addresses are registered with the Company/ Depository(ies)/ Registrar and Share Transfer Agent (RTA) and is also available on the website of the Company at <https://www.5paisa.com/investor-relations> and on the website of CDSL at www.evotingindia.com.

We request you to kindly take the same on record.

Thanking You,
Yours faithfully,

For 5paisa Capital Limited

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

Encl: As above

5paisa Capital Limited



5PAISA CAPITAL LIMITED

CIN: L67190MH2007PLC289249

Dear Members,

Invitation to attend the 17th Annual General Meeting on Tuesday, September 10, 2024

You are cordially invited to attend the 17th Annual General Meeting of the Company to be held on **Tuesday, September 10, 2024 at 11:30 A.M. IST** through Video Conferencing ("VC")/Other Audio-Visual Means ("OAVM"). The notice convening the Annual General Meeting 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. 26 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 Or 1800 21 09911.
5.	Cut-off date for e-voting	Tuesday, September 03, 2024
6.	Time period for remote e-voting	Commences at 09:00 A.M. IST on Thursday, September 05, 2024 and ends at 05:00 P.M. IST on Monday, September 09, 2024
7.	Book closure dates	Wednesday, September 04, 2024 to Tuesday, September 10, 2024 (both days inclusive)
8.	Last date for publishing results of the e-voting	Thursday, September 12, 2024
9.	Registrar and Share Transfer Agent contact details	Link Intime India Private Limited C 101, 247 Park, Lal Bahadur Shastri Road, Surya Nagar, Gandhi Nagar, Vikhroli - West, Mumbai - 400083, Maharashtra, India. Email id: rnt.helpdesk@linkintime.co.in
10.	5paise's Contact details	Email id: csteam@5paise.com Tel no: 022-41035000

Yours Truly,

For 5paise Capital Limited

Sd/-

Namita Godbole

Company Secretary & Chief Compliance Officer
ICSI Membership Number: A21056

Place: Thane

Date: July 12, 2024

**SPAISA CAPITAL LIMITED**

CIN: L67190MH2007PLC289249

NOTICE

NOTICE IS HEREBY GIVEN THAT THE SEVENTEENTH (17th) ANNUAL GENERAL MEETING ("AGM") OF THE MEMBERS OF SPAISA CAPITAL LIMITED WILL BE HELD ON TUESDAY, 10th DAY OF SEPTEMBER, 2024, AT 11:30 A.M. THROUGH VIDEO CONFERENCING ("VC")/OTHER AUDIO-VISUAL MEANS ("OAVM") TO TRANSACT THE FOLLOWING BUSINESSES:

ORDINARY BUSINESSES:

1. To receive, consider and adopt:
 - (a) The Audited Standalone Financial Statement(s) of the Company for the financial year ended March 31, 2024, together with the Reports of the Board of Directors and the Statutory Auditors thereon; and
 - (b) The Audited Consolidated Financial Statement(s) of the Company for the financial year ended March 31, 2024, together with the Report of the Statutory Auditors thereon.
2. To appoint a Director in place of Mr. Gourav Munjal (DIN: 06360031), who retires by rotation and being eligible, offers himself for re-appointment 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 BUSINESSES:

3. To re-appoint Mr. Milin Mehta as an Independent 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 a **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 (hereinafter called "Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or enactment(s) thereof for the

time being in force), and pursuant to Regulation 16(1)(b) and other applicable provisions, if any, of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (hereinafter called "Listing Regulations") and as recommended by the Nomination & Remuneration Committee and approved by the Board of Directors, Mr. Milin Mehta (DIN: 01297508), who holds office of Independent Director up to March 31, 2025 and who has submitted a declaration that he meets the criteria for independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act, from a Member, signifying his intention to propose Mr. Milin Mehta's candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, for a second term of five consecutive years commencing from April 01, 2025 to March 31, 2030.

RESOLVED FURTHER THAT the Board or any Committee thereof, be and is hereby authorized to sign and execute all such documents & papers (including appointment letter etc.) as may be required for the purpose and file such necessary e-form(s) with the Registrar of Companies, Mumbai – Maharashtra and to do all such acts, deeds, things and matters, as may be required to give effect to this resolution and to do all such things incidental and ancillary thereto."

4. To approve appointment and remuneration of Mr. Ameya Agnihotri (DIN: 07680132) as the Whole Time 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 **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 149, 152, 161, 196, 197, 198, 203 and Schedule V and other applicable provisions and rules, if any of the Companies Act, 2013 ("the Act") (including any statutory modification(s) or re-enactment thereof for the time being in force) and with all applicable Regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and the relevant provisions of Articles of Association of the Company along with all applicable guidelines issued by the Central Government, from time to time and pursuant to the recommendation of the Nomination & Remuneration

Committee and approval of the Board of Directors of the Company, consent of the members of the Company be and is hereby accorded for the appointment of Mr. Ameya Agnihotri (DIN: 07680132) as the Whole-time Director of the Company (liable to retire by rotation) for the period 5 years w.e.f. July 13, 2024 and on the terms and conditions including remuneration as mentioned below:

A. Period of appointment:

5 years w.e.f. July 13, 2024 with the liberty to either party to terminate the appointment on 3 (Three) months notice in writing to the other.

B. Remuneration:

Salary: ₹1,80,00,000/- p.a. (Rupees One Crore Eighty Lakhs Only)

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 in law.

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. Ameya Agnihotri in accordance with the applicable provisions of Schedule V of the Act, and subject to the approval of the Central Government, if required.

C. Perquisites:

Category (A):

1. Housing: Rent Free Accommodation or House Rent Allowance of ₹ 3,00,000/- p.m. (Rupees Three Lakhs Only).
2. Medical Reimbursement for self and family as per the rules of the Company.
3. Leave Travel Assistance as per the rules of the Company.
4. 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. Commission: He shall be paid commission as permissible under the Companies Act 2013 and as determined by the Board/Nomination and Remuneration Committee from time to time.
3. ESOP : The Company has in place the Employee Stock Option Scheme (ESOP) and as per the ESOP Scheme, Mr. Ameya Agnihotri will be eligible for grant of ESOPs, as may be considered by the Board/Nomination and Remuneration Committee from time to time.

Mr. Ameya Agnihotri has been granted 50,000 stock options under the 5paisa Capital Limited Employee Stock Option Scheme 2023 ("5PCL ESOS 2023") till the date of this report.
4. Retirement by Rotation: Mr. Ameya Agnihotri shall be liable to retire by rotation.
5. Governance: Subject as aforesaid, the Whole Time Director shall be governed by such other Rules as are applicable to the Senior Executives of the Company from time to time.

RESOLVED FURTHER THAT any of the Directors and/or Company Secretary be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution and to file various e-forms as required under Companies Act, 2013 and rules made thereunder, including all the necessary returns and declarations and to make necessary entries in the statutory records and registers of the company in relation to the appointment of Mr. Ameya Agnihotri as an Whole Time Director of the Company."

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 thereunder, (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 April 24, 2024, 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 18th Annual General Meeting of the Company to be held in the year 2025, 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 authorized 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 thereunder, (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 April 24, 2024, 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 18th Annual General Meeting of the Company to be held in the year 2025, 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 authorized 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 thereunder, (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 April 24, 2024, 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 18th Annual General Meeting of the Company to be held in the year 2025, 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 authorized 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 thereunder, (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 April 24, 2024, 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 18th Annual General Meeting of the Company to be held in the year 2025, 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 authorized 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 thereunder, (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 April 24, 2024, 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 18th Annual General Meeting of the Company to be held in the year 2025, 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 authorized 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 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 thereunder, (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 April 24, 2024, 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, 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 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 18th Annual General Meeting of the Company to be held in the year 2025, 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 authorized 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 thereunder, (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 April 24, 2024, 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 18th Annual General Meeting of the Company to be held in the year 2025, 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 authorized 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 thereunder, (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 April 24, 2024, 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 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 18th Annual General Meeting of the Company to be held in the year 2025, 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 authorized 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 thereunder, (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 April 24, 2024, 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 18th Annual General Meeting of

the Company to be held in the year 2025, 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 authorized 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 thereunder, (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 April 24, 2024, 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 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 18th Annual General Meeting of the Company to be held in the year 2025, 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 authorized 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 thereunder, (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 April 24, 2024, 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 18th Annual General Meeting of the Company to be held in the year 2025, 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 authorized 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 thereunder, (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 April 24, 2024, 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), 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 18th Annual General Meeting of the Company to be held in the year 2025, 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 authorized 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 thereunder, (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 April 24, 2024, 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 18th Annual General Meeting of the Company to be held in the year 2025, 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 authorized 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 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."

19. 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 members 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 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 01, 2024;

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 authorized 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.

By Order of the Board of Directors

5paisa Capital Limited

Namita Godbole

Company Secretary & Chief Compliance Officer
ICSI Membership No.: A21056

Registered Office:

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

CIN: L67190MH2007PLC289249

E-mail: csteam@5paisa.com

Telephone No.: 022-41035000

Date: July 12, 2024

Place: Thane

Notes:

1. The Ministry of Corporate Affairs ("MCA") has *vide* its General Circular Nos. 14/2020 dated April 8, 2020 and 17/2020 dated April 13, 2020, in relation to "Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by "COVID-19", General Circular Nos. 20/2020 dated May 5, 2020, 10/2022 dated December 28, 2022 and subsequent circulars issued in this regard, the latest being 09/2023 dated September 25, 2023 in relation to "Clarification on holding of Annual General Meeting ("AGM") through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM") (collectively referred to as "MCA Circulars") permitted the holding of the AGM through VC/OAVM, without the physical presence of the Members at a common venue. In compliance with the MCA Circulars, the 17th AGM of the Company is being held through VC/OAVM. The registered office of the Company shall be deemed to be the venue for the AGM.
2. In accordance with the aforesaid MCA Circulars and Circular Nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021, SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022, SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 5, 2023 and SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated October 7, 2023 issued by Securities Exchange Board of India (collectively referred to as "SEBI Circulars"), the Notice of the AGM along with the Integrated Annual Report for FY 2023-24 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL"), collectively "Depositories". 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.
3. 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 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 26.
4. 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 this 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 serve basis. The large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairman/ Chairperson of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. shall attend the AGM without restriction on account of first come first serve basis.
5. Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
6. Since the AGM will be held through VC/OAVM, the route map of the venue of the Meeting is not annexed hereto.
7. 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.
8. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") setting out material facts concerning the business is annexed hereto. Further, the relevant details pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India are also annexed.

9. 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. 26.
10. 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.
11. In terms of Section 152(6) of the Companies Act, 2013, 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. 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.
12. At the Fifteenth (15th) AGM held on July 11, 2022, the members approved the appointment of M/s. V. Sankar Aiyar & Co. Chartered Accountants (Firm Registration No. 109208W), as Statutory Auditors of the Company a remuneration mutually agreed upon by the Board of Directors for a period of five consecutive years from the conclusion of that AGM till the conclusion to Twentieth (20th) AGM.
13. 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 Wednesday, September 04, 2024 to Tuesday, September 10, 2024 (both days inclusive).
14. 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.
15. Share transfer documents and all correspondence relating thereto, should be addressed to RTA at Link Intime India Private Limited, C101, 247 Park, L.B.S Marg, Vikhroli West, Mumbai - 400083 or at their designated email id i.e. rnt.helpdesk@linkintime.co.in.
16. 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.
17. 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.
18. In terms of Regulation 40(1) of SEBI Listing Regulations, as amended from time to time, transfer, transmission and transposition of securities shall be effected only in dematerialized form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialization, Members are advised to dematerialize the shares held by them in physical form. Members can contact the Company or Link Intime, for assistance in this regard.
19. 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.
20. 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.
21. 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.
22. 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.

23. 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 ISR-3 or Form No. SH-14 as the case may be, to the Registrar and Transfer Agent of the Company. These forms will be made available on request.
24. The Company has designated an exclusive e-mail ID csteam@5paisa.com to redress shareholder's complaints/grievances. In case you have any queries/complaints or grievances, then please write to us at csteam@5paisa.com.
25. 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.

26. 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 Thursday, September 05, 2024 at 09:00 a.m. and ends on Monday, September 09, 2024 at 5:00 p.m. During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Tuesday, September 03, 2024 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

Shareholders who have already voted prior to the meeting date would not be entitled to vote during the meeting.

Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242** dated December 9, 2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

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

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/websites of Depositories/Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

Step 1 : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

- (ii) In terms of SEBI circular no. **SEBI/HO/CFD/CMD/CIR/P/2020/242** dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

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

Type of shareholders	Login Method
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.
Individual Shareholders holding securities in demat mode with NSDL Depository	<ol style="list-style-type: none"> 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

Type of shareholders	Login Method
	<p>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> <ol style="list-style-type: none"> 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 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.
Individual Shareholders (holding securities in demat mode) login 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 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 above mentioned website.

Helpdesk for Individual Shareholders holding shares 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 21 09911.
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 call at : 022-48867000 and 022-24997000.

Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

(iv) 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 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)
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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 Account 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.

After entering these details appropriately, click on "SUBMIT" tab.

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

- xv. If a demat account holder has forgotten the changed login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xvi. There is also an optional provision to upload 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 Custodian 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 mandatorily required to send the relevant Board Resolution/Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; csteam@5paisa.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

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.

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 WiFi 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.

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 21 09911.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Senior Manager, Central Depository Services (India) Limited (CDSL), 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 21 09911.

Annexure to the Notice

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

Item No. 03

Mr. Milin Mehta, is a Chartered Accountant and is a senior partner of K. C. Mehta & Co. LLP Chartered Accountants (Baroda, Mumbai, Ahmedabad and Bangalore), for about 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. Mr. Milin Mehta has also been invited as special invitee to the Committee of the Institute of Chartered Accountants for making representation before the Central Board of Direct Taxes/Standing Committee of the Parliament on formation of new Direct Tax Code.

Mr. Milin Mehta was also a member of the Committee set up by the Central Board of Direct Taxes (CBDT) for framing "Tax Accounting Standards" which are renamed as "Income tax Computation and Disclosure Standards". Presently, he is member of the Committee appointed by the Finance Minister under the CBDT for considering the Minimum Alternate Tax (MAT) Impact on introduction of IndAS and also to notify further ICDS due to introduction of IndAS. He has held the position of Treasurer and Vice Chairman of the Western India Regional Council of the 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. The other details of Mr. Milin Mehta in terms of the Listing Regulation and Secretarial Standard-2 are provided in this Notice.

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company had re-appointed Mr. Milin Mehta as a Non-executive Independent Director of the Company to hold office for a period of five consecutive years ending on March 31, 2030, not liable to retire by rotation, subject to consent by the Members of the Company at the ensuing Annual General Meeting ("AGM"). In terms of Section 161(1) of the Act, Mr. Milin Mehta, an Non-Executive Independent Director is eligible for being re-appointed as an Independent Director. In accordance with above, the Company has received a notice pursuant to Section 160 of the Companies Act, 2013 (the "Act") from a Member signifying his intention to propose the re-appointment of Mr. Milin Mehta as an Independent Director of the Company. Mr. Milin Mehta has given a declaration to the Board that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and the SEBI Listing Regulations. The Company has also received:- (i) the consent in writing to act as Director (ii) intimation that he is not disqualified under Section 164(2) of the Companies Act, 2013 and (iii) a declaration to the effect that he is not debarred from holding the office of Director pursuant to any Order issued by the Securities and Exchange Board of India (SEBI).

A copy of the draft letter of re-appointment for Independent Directors, setting out the terms and conditions would be available for inspection by the Members in electronic mode. Members can inspect the same by sending an email to csteam@5paisa.com.

After taking into consideration the recommendation of the Nomination & Remuneration Committee, the Board is of the opinion that Mr. Milin Mehta's vast knowledge and varied experience would be immense benefit to the Company and it is desirable to avail services of Mr. Milin Mehta as an Independent Director. Accordingly, the Board recommends the resolution in relation to re-appointment of Mr. Milin Mehta as an Independent Director for a period of 5 (Five) years with effect from April 01, 2025 and not liable to retire by rotation, for approval of shareholders of the Company.

Mr. Milin Mehta is interested in the resolution set out at Item No. 03 of the Notice. The relatives of Mr. Milin Mehta may be deemed to be interested in the resolution set out at Item No. 03 of the Notice, to the extent of their shareholding interest, if any, in the Company. Mr. Milin Mehta is not related to any Director and Key Managerial Personnel of the Company.

Save and except the above, 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. 03 of the Notice.

The Board recommends the Special Resolution set out at Item no. 03 of the Notice for approval by the members.

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. 03 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. 03 of the Notice for approval of the Members.

Item No. 04

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. Ameya Agnihotri (DIN: 07680132), as an Additional Director in the capacity of Whole Time Director of the Company with effect from July 13, 2024 at its meeting held on July 12, 2024.

The Company has received notice in writing under the provisions of Section 160 of the Act, from a Member proposing

candidature of Mr. Ameya Agnihotri for the office of Director. The Company has received from Mr. Ameya Agnihotri, 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 period of three months from the date of appointment, whichever is earlier.

A brief profile of Mr. Ameya Agnihotri is given below:

Mr. Ameya Agnihotri is a Bachelor of Computer Science and holds a master's degree in computer applications. Mr. Ameya Agnihotri brings over 18 years of diverse experience in building scalable, low latency, resilient platforms, large scale data platforms in AdTech and MarTech space (SSP, DSP, CDP, DMP) as well as in OTA and logistics. Mr. Ameya Agnihotri's previous experience includes working at Paytm, Zeotap, Airpush, Pubmatic and Symantec. Prior to joining 5paisa as a CTO from November 2023, he was VP - Technology at Paytm (Travel Vertical).

In view of the above, it is proposed to obtain approval of the Members by way of Special Resolution as mentioned in Item no. 04 of the Notice for appointment of Mr. Ameya Agnihotri as a Whole Time Director for a period of five (5) years from July 13, 2024 to July 12, 2029 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, 2024 respectively have *inter alia* recommended the above Resolutions for approval of the Members by means of Special Resolution.

The details of Mr. Ameya Agnihotri 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. Ameya Agnihotri as a Whole Time Director of the Company and accordingly recommends the passing of the resolution contained in Item No. 04 of the accompanying Notice as Special Resolution.

None of the Directors, Key Managerial Personnel of the Company or their relatives except Mr. Ameya Agnihotri are, in any way, concerned or interested, financially or otherwise, in the Special Resolution at Item No. 04.

Item No. 05 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 August 31, 2023 had approved the material related party transactions for FY 2023-2024 and the same was valid till March 31, 2024. However, pursuant to the amended regulations, prior approval of shareholders is required in case of transactions to be carried out for FY 2024-25 and hence the resolutions at Item No. 05 to 17 of this notice for the approval of shareholders till the 18th Annual General Meeting of the company to be held in the year 2025 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 as and when there is requirement of funds for working capital needs. The said transactions are in the ordinary course of business and at arms' length and are duly approved by the Audit Committee and the Board of 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 2024-25, 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 2023-24 approved by Share holders	Proposed Limits for 2024-25 to be approved by Shareholders (please refer note below table)
1	IIFL Securities Group Companies					
a)	IIFL Facilities Services Limited	Arrangement of Allocation/ Reimbursement of Common/ Advisory & Specific Overhead expenses – Received and other expenses.	Sharing of premises - common office & business related expenses	1.27%	₹ 5 Crore	₹ 5 Crore
		Arrangement of Allocation/ Reimbursement of Common/ Advisory & Specific Overhead expenses - Paid and other expenses	Sharing of premises - common office & business related expenses	1.77%	₹ 7 Crore	₹ 7 Crore
		Inter-Corporate Deposits/ Guarantee Taken *	For working capital requirement	126.67%	₹ 500 Crore	₹ 500 Crore
		Inter-Corporate Deposits/ Guarantee Given ** (Refer Note 1)	For working capital requirement	101.33%	₹ 400 Crore	₹ 400 Crore
		Rental Agreement	Sharing of common premises	1.27%	₹ 5 Crore	₹ 5 Crore
b)	Livlong Insurance Brokers Limited	Inter-Corporate Deposits/ Guarantee Taken *	For working capital requirement	25.33%	₹ 100 Crore	₹ 100 Crore
		Inter-Corporate Deposits/ Guarantee Given ** (Refer Note 1)	For working capital requirement	50.67%	₹ 200 Crore	₹ 200 Crore
		Marketing Support Fees/ Commission & Brokerage/Service fees/Referral/Arranger Fee Income or any other cross sale income.	Cross Selling of products	2.53%	₹ 10 Crore	₹ 10 Crore
c)	IIFL Management Services Limited	Inter-Corporate Deposits/ Guarantee Taken *	For working capital requirement	50.67%	₹ 200 Crore	₹ 200 Crore
		Inter-Corporate Deposits/ Guarantee Given ** (Refer Note 1)	For working capital requirement	50.67%	₹ 200 Crore	₹ 200 Crore
		Guest House Facility Agreement	Facility of the guest house for IIFL employees	0.13%	–	₹ 50 Lakhs
		Rental Agreement	Sharing of common premises	0.51%	₹ 2 Crores	₹ 2 Crores
d)	IIFL Securities Limited	Arrangement of Allocation/ Reimbursement of Common/ Advisory & Specific Overhead expenses – Received and other expenses.	Sharing of premises - common office & business related expenses	2.53%	₹ 10 Crore	₹ 10 Crore

Sr. No.	Name of the Company	Type/Particulars of transactions	Justification	Percentage of annual consolidated turnover	Maximum Outstanding Limits for 2023-24 approved by Share holders	Proposed Limits for 2024-25 to be approved by Shareholders (please refer note below table)
		Arrangement of Allocation/ Reimbursement of Common/ Advisory & Specific Overhead expenses - Paid and other expenses	Sharing of premises - common office & business related expenses	7.60%	₹ 30 Crore	₹ 30 Crore
		Rental Agreement	Sharing of common premises	1.27%	₹ 5 Crore	₹ 5 Crore
		Marketing Support Fees/ Commission & Brokerage/Service fees/Referral/Arranger Fee Income or any other cross sale income.	Cross Selling of products	2.53%	₹ 10 Crore	₹ 10 Crore
e)	Other IIFL Securities Group Companies	Inter-Corporate Deposits/ Guarantee Taken *	For working capital requirement	–	Limit as permissible under Law/ Regulations	Limit as permissible under Law/ Regulations
		Inter-Corporate Deposits/ Guarantee Given ** (Refer Note 1)	For working capital requirement	–	Limit as permissible under Law/ Regulations	Limit as permissible under Law/ Regulations
		Arrangement of Allocation/ Reimbursement of Common/ Advisory & Specific Overhead expenses – Received and other expenses.	Sharing of premises - common office & business related expenses	–	Limit as permissible under Law/ Regulations	Limit as permissible under Law/ Regulations
		Arrangement of Allocation/ Reimbursement of Common/ Advisory & Specific Overhead expenses - Paid and other expenses	Common office & business related expenses	–	Limit as permissible under Law/ Regulations	Limit as permissible under Law/ Regulations
		Marketing Support Fees/ Commission & Brokerage/Service fees/Referral/Arranger Fee Income or any other cross sale income.	Cross Selling of products	2.53%	₹ 10 Crores	₹ 10 Crores
2	IIFL Finance Group Companies					
a)	IIFL Finance Limited	Arrangement of Allocation/ Reimbursement of Common/ Advisory & Specific Overhead expenses – Received and other expenses	Common office & business related expenses	1.27%	₹ 5 Crore	₹ 5 Crore
		Arrangement of Allocation/ Reimbursement of Common/ Advisory & Specific Overhead expenses - Paid and other expenses	Common office & business related expenses	1.27%	₹ 5 Crore	₹ 5 Crore
		Inter-Corporate Deposits/ Guarantee Taken *	For working capital requirement	152%	₹ 600 Crore	₹ 600 Crore

Sr. No.	Name of the Company	Type/Particulars of transactions	Justification	Percentage of annual consolidated turnover	Maximum Outstanding Limits for 2023-24 approved by Share holders	Proposed Limits for 2024-25 to be approved by Shareholders (please refer note below table)
		Inter-Corporate Deposits/ Guarantee Given ** (Refer Note 1)	For working capital requirement	101.33%	₹ 400 Crore	₹ 400 Crore
		Marketing Support Fees/ Commission & Brokerage/Service fees/Referral/Arranger Fee Income or any other cross sale income.	Cross Selling of products	3.80%	₹ 15 Crore	₹ 15 Crore
b)	IIFL Home Finance Limited	Arrangement of Allocation/ Reimbursement of Common/ Advisory & Specific Overhead expenses – Paid and other expenses	Common office & business related expenses	0.51%	₹ 2 Crore	₹ 2 Crore
		Inter-Corporate Deposits/ Guarantee Taken *	For working capital requirement	101.33%	₹ 400 Crore	₹ 400 Crore
		Inter-Corporate Deposits/ Guarantee Given ** (Refer Note 1)	For working capital requirement	101.33%	₹ 400 Crore	₹ 400 Crore
		Marketing Support Fees/ Commission & Brokerage/Service fees/Referral/Arranger Fee Income or any other cross sale income.	Cross Selling of products	2.53%	₹ 10 Crore	₹ 10 Crore
		Rental Agreement	Sharing of common premises	0.51%	₹ 2 Crores	₹ 2 Crores
c)	IIFL Samasta Finance Limited	Inter-Corporate Deposits/ Guarantee Taken *	For working capital requirement	101.33%	₹ 400 Crore	₹ 400 Crore
		Inter-Corporate Deposits/ Guarantee Given ** (Refer Note 1)	For working capital requirement	101.33%	₹ 400 Crore	₹ 400 Crore
d)	Other IIFL Finance Group Companies	Inter-Corporate Deposits/ Guarantee Given ** (Refer Note 1)	For working capital requirement	–	Limit as permissible under Law/ Regulations	Limit as permissible under Law/ Regulations
		Arrangement of Allocation/ Reimbursement of Common/ Advisory & Specific Overhead expenses – Received and other expenses.	Sharing of premises - common office & business related expenses	–	Limit as permissible under Law/ Regulations	Limit as permissible under Law/ Regulations
		Arrangement of Allocation/ Reimbursement of Common/ Advisory & Specific Overhead expenses - Paid and other expenses	Common office & business related expenses	–	Limit as permissible under Law/ Regulations	Limit as permissible under Law/ Regulations
		Marketing Support Fees/ Commission & Brokerage/Service fees/Referral/Arranger Fee Income or any other cross sale income.	Cross Selling of products	2.53%	₹ 10 Crores	₹ 10 Crores

Sr. No.	Name of the Company	Type/Particulars of transactions	Justification	Percentage of annual consolidated turnover	Maximum Outstanding Limits for 2023-24 approved by Share holders	Proposed Limits for 2024-25 to be approved by Shareholders (please refer note below table)
3 IIFL Wealth Management Group Companies						
a)	360 ONE WAM Limited	Inter-Corporate Deposits/ Guarantee Taken *	For working capital requirement	76%	₹ 300 Crore	₹ 300 Crore
		Inter-Corporate Deposits/ Guarantee Given ** (Refer Note 1)	For working capital requirement	101.33%	₹ 400 Crore	₹ 400 Crore
		Arrangement of Allocation/ Reimbursement of Common/ Advisory & Specific Overhead expenses – Received and other expenses.	Sharing of premises - common office & business related expenses	–	Limit as permissible under Law/ Regulations	Limit as permissible under Law/ Regulations
		Arrangement of Allocation/ Reimbursement of Common/ Advisory & Specific Overhead expenses - Paid and other expenses	Common office & business related expenses	–	Limit as permissible under Law/ Regulations	Limit as permissible under Law/ Regulations
		Marketing Support Fees/ Commission & Brokerage/Service fees/Referral/Arranger Fee Income or any other cross sale income.	Cross Selling of products	–	Limit as permissible under Law/ Regulations	Limit as permissible under Law/ Regulations
b)	IIFL Wealth Prime Limited	Inter-Corporate Deposits/ Guarantee Taken *	For working capital requirement	76%	₹ 300 Crore	₹ 300 Crore
		Inter-Corporate Deposits/ Guarantee Given ** (Refer Note 1)	For working capital requirement	101.33%	₹ 400 Crore	₹ 400 Crore
c)	Other IIFL Wealth Group Companies	Inter-Corporate Deposits/ Guarantee Taken *	For working capital requirement	–	Limit as permissible under Law/ Regulations	Limit as permissible under Law/ Regulations
		Inter-Corporate Deposits/ Guarantee Given ** (Refer Note 1)	For working capital requirement	–	Limit as permissible under Law/ Regulations	Limit as permissible under Law/ Regulations
4 Subsidiaries of 5paisa Capital Limited						
a)	5paisa P2P Limited	Inter-Corporate Deposits/ Guarantee Given ** (Refer Note 1)	For working capital requirement	25.33%	₹ 100 Crore	₹ 100 Crore
		Arrangement of Allocation/ Reimbursement of Common/ Advisory & Specific Overhead expenses – Received and other expenses.	Common office & business related expenses	1.27%	₹ 5 Crore	₹ 5 Crore
		Arrangement of Allocation/ Reimbursement of Common/ Advisory & Specific Overhead expenses - Paid and other expenses	Common office & business related expenses	0.51%	₹ 2 Crore	₹ 2 Crore

Sr. No.	Name of the Company	Type/Particulars of transactions	Justification	Percentage of annual consolidated turnover	Maximum Outstanding Limits for 2023-24 approved by Share holders	Proposed Limits for 2024-25 to be approved by Shareholders (please refer note below table)
		Marketing Support Fees/ Commission & Brokerage/Service fees/Referral/Arranger Fee Income or any other cross sale income.	Cross Selling of products	–	Limit as permissible under Law/ Regulations	Limit as permissible under Law/ Regulations
		Inter-Corporate Deposits/ Guarantee Taken *	For working capital requirement	–	Limit as permissible under Law/ Regulations	Limit as permissible under Law/ Regulations
b)	5paisa Trading Limited	Inter-Corporate Deposits/ Guarantee Given ** (Refer Note 1)	For working capital requirement	25.33%	₹ 100 Crore	₹ 100 Crore
		Arrangement of Allocation/ Reimbursement of Common/ Advisory & Specific Overhead expenses – Received and other expenses.	Common office & business related expenses	1.27%	₹ 5 Crore	₹ 5 Crore
		Arrangement of Allocation/ Reimbursement of Common/ Advisory & Specific Overhead expenses - Paid and other expenses	Common office & business related expenses	0.51%	₹ 2 Crore	₹ 2 Crore
		Marketing Support Fees/ Commission & Brokerage/Service fees/Referral/Arranger Fee Income or any other cross sale income.	Cross Selling of products	–	Limit as permissible under Law/ Regulations	Limit as permissible under Law/ Regulations
		Inter-Corporate Deposits/ Guarantee Taken *	For working capital requirement	–	Limit as permissible under Law/ Regulations	Limit as permissible under Law/ Regulations
c)	5paisa Corporate Services Limited (Formerly known as 5paisa Insurance Brokers Limited)	Inter-Corporate Deposits/ Guarantee Given ** (Refer Note 1)	For working capital requirement	25.33%	₹ 100 Crore	₹ 100 Crore
		Arrangement of Allocation/ Reimbursement of Common/ Advisory & Specific Overhead expenses – Received and other expenses.	Common office & business related expenses	1.27%	₹ 5 Crore	₹ 5 Crore

Sr. No.	Name of the Company	Type/Particulars of transactions	Justification	Percentage of annual consolidated turnover	Maximum Outstanding Limits for 2023-24 approved by Share holders	Proposed Limits for 2024-25 to be approved by Shareholders (please refer note below table)
		Arrangement of Allocation/ Reimbursement of Common/ Advisory & Specific Overhead expenses - Paid and other expenses	Common office & business related expenses	0.51%	₹ 2 Crore	₹ 2 Crore
		Marketing Support Fees/ Commission & Brokerage/Service fees/Referral/Arranger Fee Income or any other cross sale income.	Cross Selling of products	–	Limit as permissible under Law/ Regulations	Limit as permissible under Law/ Regulations
		Inter-Corporate Deposits/ Guarantee Taken *	For working capital requirement	–	Limit as permissible under Law/ Regulations	Limit as permissible under Law/ Regulations
d)	5paisa International Securities (IFSC) Limited	Inter-Corporate Deposits/ Guarantee Given ** (Refer Note 1)	For working capital requirement	25.33%	₹ 100 Crore	₹ 100 Crore
		Arrangement of Allocation/ Reimbursement of Common/ Advisory & Specific Overhead expenses – Received and other expenses.	Common office & business related expenses	1.27%	₹ 5 Crore	₹ 5 Crore
		Arrangement of Allocation/ Reimbursement of Common/ Advisory & Specific Overhead expenses - Paid and other expenses	Common office & business related expenses	0.51%	₹ 2 Crore	₹ 2 Crore
		Marketing Support Fees/ Commission & Brokerage/Service fees/Referral/Arranger Fee Income or any other cross sale income.	Cross Selling of products	–	Limit as permissible under Law/ Regulations	Limit as permissible under Law/ Regulations
		Inter-Corporate Deposits/ Guarantee Taken *	For working capital requirement	–	Limit as permissible under Law/ Regulations	Limit as permissible under Law/ Regulations

*Note: Maximum Outstanding Intercorporate Deposit taken from all group companies together will not exceed ₹ 600 Crore 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 Intercorporate Deposit given to all group companies together will not exceed ₹ 500 Crore 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 5paise owned liquid network 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 2024-25 are based on the copy of "Certificates for Related Party Transactions" issued by M/s. Kamlesh Mehta & Associates for quarter ended June 2023, September 2023, December 2023 and March 2024. The Shareholders may acquire the same by dropping an email at csteam@5paise.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 2024-25, 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, 2024, 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 18th Annual General meeting of the company to be held in the calendar year 2025 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:

Sr. No.	Name of Related Party	Nature of Interest or Concern
1.	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.
2.	Livlong Insurance Brokers Limited	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.
3.	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.
4.	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. 30.90% in IIFL SEC.
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.

Sr. No.	Name of Related Party	Nature of Interest or Concern
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 Securities Alternate Asset Management Limited	Mr. Nirmal Jain and Mr. Venkataraman Rajamani are promoters of IIFL SEC and IIFL Securities Alternate Asset Management Limited is a Wholly owned subsidiary of IIFL SEC.
13.	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
14.	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 10,56,74,667 equity shares i.e. 24.92% in IIFL.
15.	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.
16.	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
17.	IIFL Samasta Finance Limited (ISFL)	ISFL is a Subsidiary of IIFL Finance Limited
18.	360 ONE WAM Limited (Formerly known as IIFL Wealth Management Limited)	Mr. Nirmal Jain and Mr. Venkataraman Rajamani are Co- Promoter and Non - Executive Directors of 360 ONE WAM Limited. Mr. Nirmal Jain and Mr. Venkataraman Rajamani along with their relatives & persons acting in concert held 2,57,26,442 equity shares i.e. 7.17% and 71,53,956 equity shares i.e. 1.99% respectively in 360 ONE WAM Limited.
19.	360 ONE Asset Management Limited (Formerly Known as IIFL Asset Management Limited)	360 ONE Asset Management Limited is a Wholly owned Subsidiary of 360 ONE WAM Limited
20.	360 ONE Portfolio Managers Limited (Formerly known as IIFL Wealth Portfolio Managers Limited)	360 ONE Portfolio Managers Limited is a Wholly owned Subsidiary of 360 ONE WAM Limited
21.	360 ONE Foundation (Formerly Known as IIFLW CSR Foundation)	360 ONE Foundation is a Wholly owned Subsidiary of 360 ONE WAM Limited
22.	360 ONE Prime Limited (Formerly known as IIFL Wealth Prime Limited)	360 ONE Prime Limited is a Wholly owned Subsidiary of 360 ONE WAM Limited
23.	360 ONE Asset Trustee Limited (Formerly known as IIFL Trustee Limited)	360 ONE Asset Trustee Limited is a Wholly owned Subsidiary of 360 ONE WAM Limited

Sr. No.	Name of Related Party	Nature of Interest or Concern
24.	360 ONE Distribution Services Limited (Formerly known as IIFL Wealth Distribution Services Limited)	360 ONE Distribution Services Limited is a Wholly owned Subsidiary of 360 ONE WAM Limited
25.	360 ONE Investment Adviser and Trustee Services Limited (Formerly known as IIFL Investment Adviser and Trustee Services Limited)	360 ONE Investment Adviser and Trustee Services Limited is a Wholly owned Subsidiary of 360 ONE WAM Limited
26.	360 ONE IFSC Limited (Formerly known as IIFL Wealth Securities IFSC Limited)	360 ONE IFSC Limited is a Wholly owned Subsidiary of 360 ONE WAM Limited
27.	360 ONE Alternates Asset Management Limited	360 ONE Alternates Asset Management Limited is a Wholly owned Subsidiary of 360 ONE WAM Limited
28.	360 ONE Asset Management (Mauritius) Limited (Formerly known as IIFL Asset Management (Mauritius) Limited)	360 ONE Asset Management (Mauritius) Limited is a Wholly owned Subsidiary of 360 ONE WAM Limited
29.	360 ONE Private Wealth (Dubai) Limited (formerly known as IIFL Private Wealth Management (Dubai) Limited)	360 ONE Private Wealth (Dubai) Limited is a Wholly owned Subsidiary of 360 ONE WAM Limited
30.	360 ONE Inc. (Formerly known as IIFL Inc.)	360 ONE Inc. is a Wholly owned Subsidiary of 360 ONE WAM Limited
31.	360 ONE Capital (Canada) Limited (Formerly known as IIFL Capital (Canada) Limited)	360 ONE Capital (Canada) Limited is a Wholly owned Subsidiary of 360 ONE WAM Limited
32.	360 ONE CAPITAL PTE. LTD. (Formerly known as IIFL Capital Pte. Limited)	360 ONE CAPITAL PTE. LTD. is a Wholly owned Subsidiary of 360 ONE WAM Limited
33.	MAVM Angels Network Private Limited	MAVM Angels Network Private Limited is a Wholly owned Subsidiary of 360 ONE WAM Limited
34.	5paisa P2P Limited (5P2P)	5P2P is a Wholly Owned Subsidiary of 5Paisa Capital Limited (5PCL).
35.	5paisa Trading Limited (5PTL)	5PTL is a Wholly Owned Subsidiary of 5Paisa Capital Limited (5PCL).
36.	5paisa Corporate Services Limited (5CSL) (Formerly known as 5paisa Insurance Brokers Limited)	5CSL is a Wholly Owned Subsidiary of 5Paisa Capital Limited (5PCL).
37.	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 in Item Nos. 05 to 17 of the Notice for approval by the members.

Item No. 18

As per Section 42 of the Companies Act, 2013 ("Act"), read with the Rules framed thereunder, 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 other applicable provisions of the Act read with the Rules made thereunder, 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. 18, 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. 18 of the Notice.

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

Item No. 19

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 April 24, 2024 recommended and approved payment of commission not exceeding 1% of the net profits of the Company for Financial Year 2024-25, in terms 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, member's 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. 19 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 2024-25.

The Board accordingly recommends the Special Resolution as set out in Item No. 19 of the Notice for approval of the Members.

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

1. Mr. Gourav Munjal

Particulars	Remarks
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)	Equity Shares: As on March 31, 2024: 10,500 As on July 12, 2024: 10,383 Employee Stock Options: 1,75,000 under 5paisa Capital Limited Employee Stock Option Scheme 2017

Particulars	Remarks
Directorships held in other companies (excluding foreign companies)	5paisa P2P Limited 5paisa Corporate Services Limited 5paisa Trading Limited 5paisa International Securities (IFSC) Limited
Attendance in number of Board Meetings eligible during the financial year 2023-24	5 (Five) of 6 (Six)
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)	₹ 7.05 million

2. Milin Mehta

Particulars	Remarks
DIN	01297508
Date of Birth	September 08, 1964
Nationality	Indian
Date of Appointment on the Board	April 01, 2020
Qualifications	Chartered Accountant
Expertise in specific functional areas	Accounts, Finance and Taxation
Number of shares held in the Company (including Options granted under ESOP)	NIL
Directorships held in other companies (excluding foreign companies)	Farmson Basic Drugs Private Limited Patel Vijyaben Trusteeship Private Limited Farmson Pharmaceutical Gujarat Private Limited Ark Foundation for the Arts Styrenix Performance Materials Limited VA Tech Wabag Limited Shaily Engineering Plastics Limited Indusface Private Limited Vadodara Marathon Technokraft Products Private Limited Rubamin Private Limited Deepak Chem Tech Limited Gujarat Life Sciences Private Limited Heubach Colour Private Limited Deepak Phenolics Limited
Attendance in number of Board Meetings eligible during the financial year 2023-24	6 (Six) of 6 (Six)

Particulars	Remarks
Memberships/Chairmanships of committees of other companies (Includes only Audit Committee and Stakeholders Relationship Committee)	VA Tech Wabag Limited Shaily Engineering Plastics Limited Styrenix Performance Materials Limited Deepak Phenolics Limited Indusface Private Limited Heubach Colour Private Limited Rubamin Private Limited
Relationships between Directors <i>inter-se</i>	None
Remuneration details (Including Sitting Fees & Commission)	₹ 0.97 million (Sitting Fees)

3. Mr. Ameya Agnihotri

Particulars	Remarks
DIN	07680132
Date of Birth	May 22, 1982
Nationality	Indian
Date of Appointment on the Board	July 13, 2024
Qualifications	Bachelor of Computer Science and master's degree in computer applications
Expertise in specific functional areas	Building scalable, low latency, resilient platforms, large scale data platforms in AdTech and MarTech space (SSP, DSP, CDP, DMP) as well as in OTA and logistics.
Number of shares held in the Company (including Options granted under ESOP)	Equity Shares: NIL ESOPs: 50,000 under 5paisa Capital Limited Employee Stock Option Scheme 2023
Directorships held in other companies (excluding foreign companies)	NIL
Attendance in number of Board Meetings eligible during the financial year 2023-24	NIL
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)	₹ 18 million

By Order of the Board of Directors

5paisa Capital Limited

Namita Godbole

Company Secretary & Chief Compliance Officer
ICSI Membership No.: A21056

Registered Office:

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

CIN: L67190MH2007PLC289249

E-mail: csteam@5paisa.com

Telephone No.: 022-41035000

Date: July 12, 2024

Place: Thane

Fostering Growth through Innovative Digital Platforms and Services

Annual Report 2023-24



Contents

CORPORATE OVERVIEW

Fostering Growth through Innovative Digital Platforms and Services	01
5paisa Capital at a Glance	02
Empowering Customers with Reliable Solutions	06
Expanding our Digital Footprint	08
Elevating Experiences with a Reliable Digital Integration	09
Our Value Creation Model	14
Message from the Chairperson's Desk	16
Message from the Managing Director & CEO	18
Burgeoning Market Opportunities	20
Invest in Excellence	23
Our Robust Financial Performance	24
Transforming Investments into Success Stories	26
Safeguarding Success Through Effective Risk Mitigation	27
Environmental, Social and Governance (ESG)	30
Board of Directors	36
Awards and Accolades	38

STATUTORY REPORTS

Directors' Report	39
Business Responsibility and Sustainability Report	62
Corporate Governance Report	103
Management Discussion and Analysis	137

FINANCIAL STATEMENTS

Standalone Financial Statements	151
Consolidated Financial Statements	218

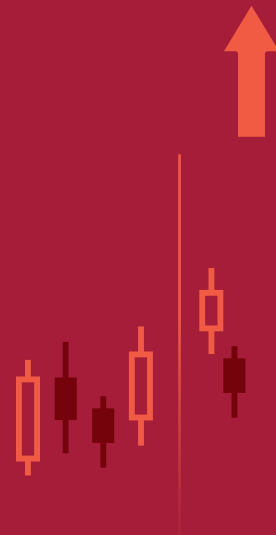


Download this report or read online at www.5paisa.com

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.

Fostering Growth through Innovative Digital Platforms and Services



In a world where the pace of change is relentless and innovation is constant, 5paisa Capital stands as a beacon of transformation, weaving the future of financial brokerage with cutting-edge technology. Our unwavering commitment to fostering growth through pioneering digital platforms and services guides investors through the intricate complexities of modern markets.

Our journey is marked by strategic investments that resonate with the pulse of evolving opportunities and the distinct aspirations of our diverse clientele. As we sculpt a robust technological infrastructure, we not only fortify our foundation but also open the gates to a new realm of possibilities, attracting discerning investors who seek reliability and excellence in a fintech partner.

At 5paisa Capital, we transcend conventional boundaries, reimagining investments with technology as our guiding star. This transformative force not only solidifies our stature within the industry but also ensures that our clients experience seamless, efficient, and insightful services. By harnessing the power of a technology-driven investment landscape, we deliver solutions that are not just reactive but proactively designed to add value in an ever-dynamic environment. We continue to innovate and embrace the digital renaissance, we pledge to empower our clients, providing them with the tools and confidence to thrive in the financial markets. Together, we embark on this transformative journey, fostering growth and redefining the future of investments.



COMPANY OVERVIEW

5paisa Capital at a Glance



Established in 2016, 5paisa Capital Limited stands as a prominent player in the fintech sector. Our extensive range of financial products and services is seamlessly supported by a robust digital ecosystem. We are registered with SEBI as a stock broker, depository participant, and research analyst. Additionally, we are acknowledged by AMFI as a mutual fund distributor.

ABOUT US

With more than 7 years of experience, 5paisa Capital has positioned itself as a significant player in the fintech industry. We specialize in providing a broad spectrum of financial products and services tailored to attract retail investors and high-volume traders engaged in active securities market activities.

We operate as a technology-driven company, with a strong and expanding online presence. Our core emphasis lies in innovation, grounded in a deep understanding of customer behavior. We continually endeavor to attain technological excellence, exemplified by the evolution of our resilient trading platform, innovative mobile application, AI-powered robo-advisory platform, and streamlined paperless account

opening process. This allows our customers access to our online technology platform for trading in securities and commodities on NSE, BSE, and MCX.

Our predominantly, Do-it-Yourself (DIY) and cost-effective offerings include online discounted stock broking, depository services, as well as research and distribution of mutual funds, among other services.

We intend to partner with customers in their wealth-creation journeys. To achieve this, we are committed to strengthening our core teams and seizing growth opportunities, while prioritizing customer experience and improving our operational efficiency.

KEY FIGURES

4.2 Million

Total Client Base

↑ 21%

28%

Y-O-Y Growth in active client base

548

Number of employees

18.6+ Million

No. of app users

↑ 23%

₹ 395 Crore

Revenue from operations

↑ 16%

72%

Clients below 35 years of age

₹ 292 Crore

Average funding book

↑ 3%

₹ 54 Crore

Profit after Tax

↑ 25%

₹ 3.50 Trillion

Average daily turnover

↑ 86%

↑ Y-O-Y Growth

OUR PARTNERSHIPS

STREAK



SENSIBULL



GOCHARTING



MARKETSMITH INDIA



SMALLCASE



QUANTSAPP



TRENDLYNE



VESTED



QUICKO



Nurturing client relationships

Throughout our journey, we have consistently endeavored to provide our clients with premier services and cutting-edge technological trading platforms. This commitment has forged a robust and enduring relationship, cemented by trust.

Strong leadership team

Our strong leadership helps us to navigate challenges with resilience, inspires teams towards a shared vision, and fosters a culture of innovation and collaboration.

OUR STRENGTHS

Technologically advanced platforms

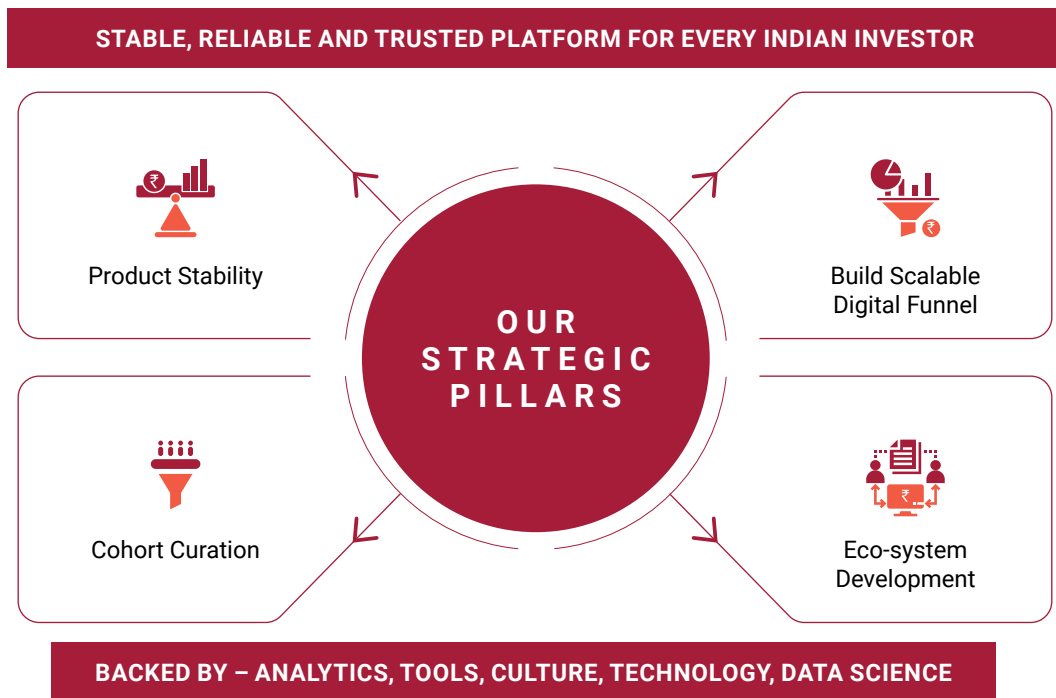
Our company boasts a strong technological infrastructure, enabling us to deliver a user-friendly and dependable platform. We consistently enhance our digital properties by incorporating new features and capabilities into our app. These endeavors contribute to our ability to better serve our clients, attract new ones, and enhance client retention.

Significant research capabilities

Backed by an extensive research team, we deliver comprehensive qualitative and quantitative research spanning technical, derivatives, commodities, currencies, and mutual funds.

Culture of continuous learning

As industries advance, technologies change and market dynamics shift constantly which necessitates the need to be adaptive and nimble. The culture of continuous learning and development in our organization ensures we stay competitive and maintain our growth trajectory amidst the myriad evolving challenges and opportunities that arise in the market.



PRODUCT STABILITY

Our commitment to delivering a highly available and stable system spans across Web, Mobile, and Developer API platforms. By streamlining processes and eliminating unnecessary complexities, we ensure seamless performance and reliability. This approach not only enhances the user experience but also guarantees our system remains resilient and dependable under all conditions, driven by a philosophy of simplification.

BUILD A SCALABLE DIGITAL FUNNEL

We are dedicated to building a scalable digital funnel that enhances the conversion process from lead to account opening and ensures high 30-day client activations. Our focus on maintaining a Customer Acquisition Cost (CAC) at industry-best levels enables us to optimize our investment while increasing first-year revenue. This strategic approach not only improves client onboarding but also drives sustainable growth and profitability.

COHORT CURATION

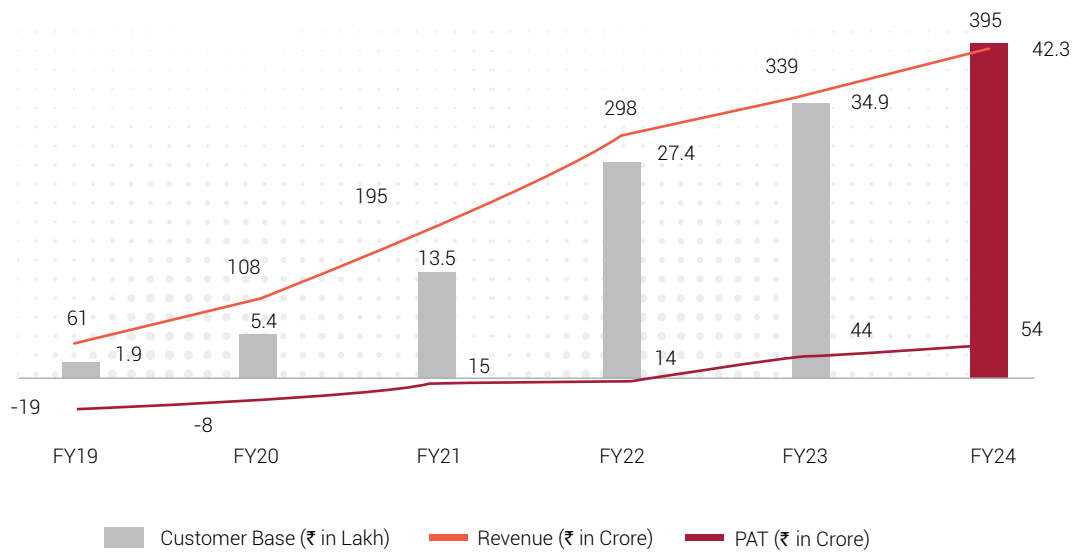
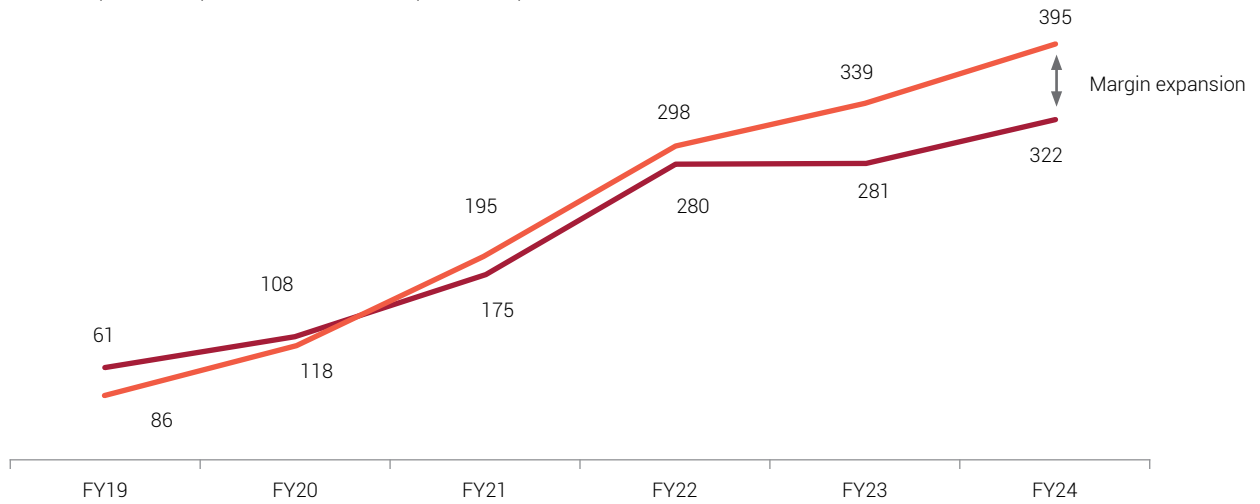
Our targeted initiatives are designed to boost engagement and drive Revenue Per Client (RPC) for second-year and older cohorts through curated, personalized offers for existing customers. This strategic focus ensures sustained client satisfaction and long-term profitability.

ECOSYSTEM DEVELOPMENT (FRANCHISEE, API, CROSS-SELL)

We are dedicated to becoming the preferred choice of partners in the industry through a strong developer API platform and third-party platform integrations. Our growth strategy is anchored in forming strategic partnerships with professional trading communities to foster a robust and interconnected ecosystem.

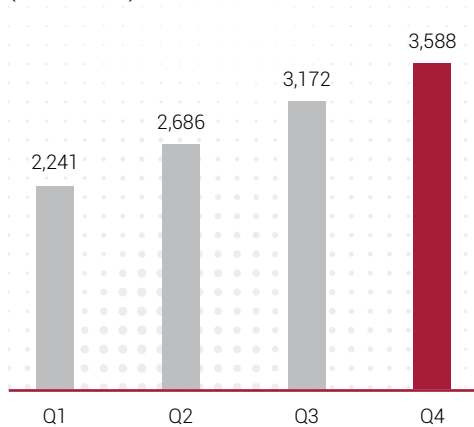
EXPANDING OUR BUSINESS

— Revenue (₹ in Crore) — Total Cost (₹ in Crore)



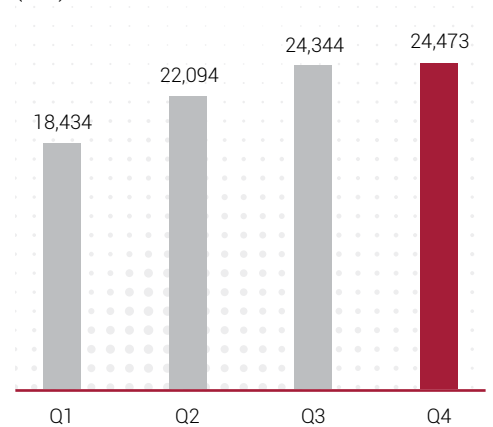
Average Client Funding Book Size (FY24)

(₹ in Million)



Low Per Client Exposure (FY24)

(in ₹)



OUR PRODUCT OFFERINGS

Empowering Customers with Reliable Solutions

We firmly believe that understanding consumer aspirations is critical to developing the right products. Our team of professionals, armed with years of experience and market insights, works diligently to craft bespoke solutions that align with our clients' specific requirements

KEY 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**

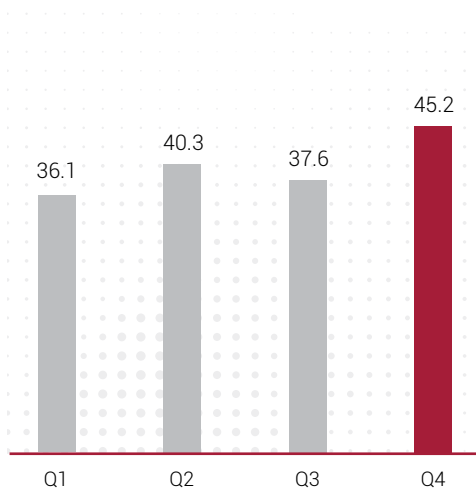
**Research-based products - Swing Trader,
Smart Investor, Smallcase, Sensibull,
Screeners, Portfolio Analyzer**


VALUE PROPOSITION FOR KEY CUSTOMER ARCHETYPES

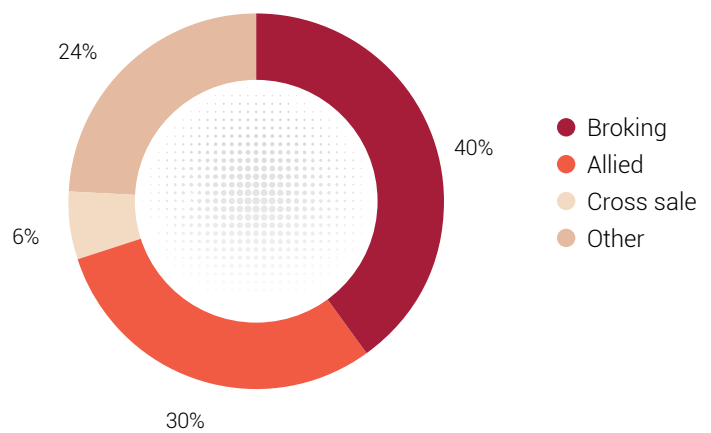
	Retail Customers	High Volume Traders	Algo Traders
Archetype : Description and key needs	Individual investors, who typically engage in cash trades and hold assets for extended periods, require a user-friendly interface and experience (UI/UX). They are also receptive to personalized, research-based recommendations.	Active traders, who trade significant volumes at least 2-3 days a week, require a highly stable platform with an intuitive user interface (UI) to facilitate seamless trade execution.	High-volume quantitative traders, employing sophisticated automated strategies and integrating seamlessly with 5paisa's developer APIs, demand exceptionally low latencies and a remarkably high throughput rate for their transactions.
Our Value Proposition for them	A trusted platform offering tailored solutions, comprehensive first-time trade coaching, and an elegantly simplified UI/UX.	A robust and dependable platform featuring high availability and minimal crash rates.	High product and technological stability across platforms, ensuring a superior order throughput rate, complemented by a robust API platform.

Quarterly Brokerage (FY24)

(₹ in Crore)



Our Revenue Mix (FY24)

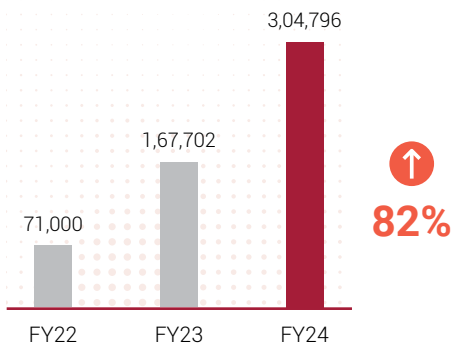
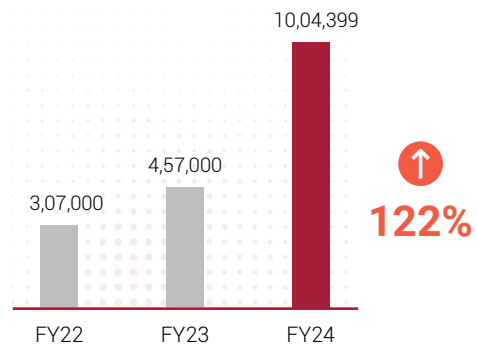
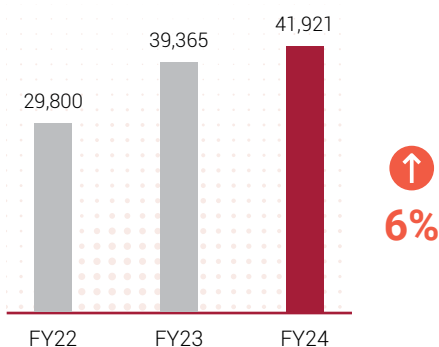
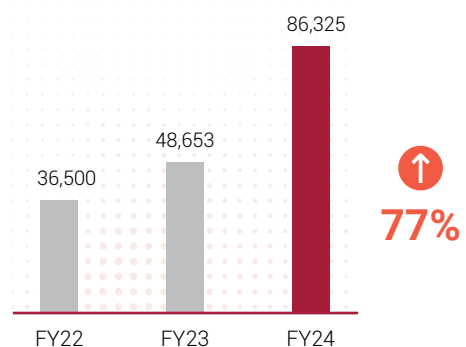


DRIVING DIGITAL GROWTH

Expanding our Digital Footprint




At 5paisa Capital, we ardently focus on harnessing the power of social media platforms to amplify our digital footprint and broaden our market reach. Our vibrant online presence is enriched with a diverse array of content, encompassing educational materials, interactive posts, market insights, stock reviews, and client testimonials, among others. We engage our audience across an extensive range of platforms, including LinkedIn, Instagram, Facebook, Twitter, and more. By diligently monitoring analytics and refining our strategies, we achieve optimal results, nurturing stronger customer connections and enhancing brand awareness.


Instagram

YouTube

LinkedIn

Telegram


TECHNOLOGICAL PROWESS

Elevating Experiences with a Reliable Digital Integration



Our steadfast commitment to addressing the ever-evolving needs of our customers drives us to consistently deliver exceptional value by swiftly adapting to their technological preferences. By prioritizing digital initiatives and offering cutting-edge technology, we continuously enhance our ability to serve our customers with utmost efficiency and effectiveness.



Robust digital platform



Enhancing onboarding experience



Revolutionizing trading experience



Targeting large and Institutional grade traders



ROBUST DIGITAL PLATFORMS

Our superior digital platform boasts over 18.6 Million app installs with a commendable 4.3 star rating, reflecting high user satisfaction. With 32% of our workforce dedicated to Tech and Product, we ensure continuous innovation and excellence. Customer satisfaction remains a top priority, evidenced by our improved NPS score. 5paisa is committed to delivering best-in-class facilities to access the offered services and we have been doing that by developing platforms to serve the varying needs of all client cohorts. By prioritizing digital initiatives and offering cutting-edge technology, we continuously enhance our ability to serve our customers with utmost efficiency and effectiveness.

18.6 Million

App installed

4.3 Star

App rating

32% Workforce

Dedicated to Tech and Product

Multiple platforms available at 5paisa -

Mobile App (Android and iOS) -

Mobile application provides the facility to access equities, derivatives, bonds, mutual funds, commodities and IPO – all within a single platform.

Tradestation 2.0

Completely revamped the web platform – tradestation, by providing better UI/UX and most crucially, speedy updates

tv.5paisa.com (Trade on charts)

Charting platform which facilitates trading directly from charts

Quantower

Advanced EXE-based application for expert/full time traders

FnO 360

Dedicated platform for derivatives trading

OpenAPI (Xtream)

APIs for users who want to create their own system with customized algos

These platforms cumulatively provide access to all the features and functionalities available at 5paisa which serves as a one-stop solution for equities, derivatives, commodities, mutual funds, Bonds, IPO and much more.





ENHANCING ONBOARDING EXPERIENCE

This year, we focused on promoting potential customers to complete their Account Opening Journey in DIY mode which was earlier done mostly in assisted mode. In line with this goal, we revamped the entire customer journey and improved the DIY% from 2.5% to 7.5%.

Our key focus areas were:

- a. Enhanced UI and UX
- b. Improved API Latency
- c. Simplification of backend logics
- d. Automate manual systems
- e. Onboard new vendors to provide best-in-class features
- f. Take only minimum required information from the user
- g. Leverage data and prefill a lot of fields during onboarding journey

Automation

We automated our KYC Process, which was earlier manual and time-consuming, resulting in increased productivity and reduced TAT for DEMAT account opening.

Partnerships

1. Bank Addition via Reverse Penny drop which prevents the user from entering account number and IFSC code manually
2. Digital E-Sign facility with 2 back-ups to ensure 100% uptime
3. Fetch bank statements directly from the bank to help customers avoid the lengthy process of downloading bank statement and then uploading it
4. Fetch user personal details and pre-fill it during onboarding which helps in avoiding mistakes and prevents drop-offs



REVOLUTIONIZING TRADING EXPERIENCE

Over the year, we have undertaken numerous initiatives to elevate our digital infrastructure, aligning with our philosophy of prioritizing technology.

App revamp

A good trading application starts with a strong technical backbone and thoroughly researched UI-UX design. During the year, a huge chunk of our efforts was dedicated to revamping the 5paisa mobile application. We moved our code to cross-platform technology - "Flutter" in order to improve platform performance, reduce latency and bring Android and iOS Apps at par. With the introduction of a new Design System last year, the new Revamp uses the same System to provide a uniform experience with enough breathing space and aesthetic colours.

Major Features

- a. New Dashboard for easy navigation to required asset type EQ, MF, IPO, ETF, NFO etc.
- b. New Markets Section to provide updates on latest developments in the Market like Advance Decline Ratio, FII/DII Data, Sector Performance, Gainers/Losers, 52W High/Low, Volume Movers, Real-time News, and much more.
- c. Improved Ticker Section to include 6 indices (up from just 2 earlier). Intraday Trend Chart can now be added next to these indices for better visual understanding. This enables users to remove and add any indice or stock of their choice very easily.
- d. Customizable Watchlist that provides 3 different structural formats of displaying your watchlist data. Improved LTP streaming animation for smoother indication yet reduced obstructive attention. Option to switch to completely new heatmap view if needed.
- e. Mini View of Company Page for quick glimpse of OHLC, Market Depth and Option Chain to navigate to multiple scrips and place orders in each scrip swiftly.

FnO 360

FnO 360 platform has been further enhanced keeping in mind the needs of a trader. Introduced multiple features in the application to help derivative traders in their trading journey -

- Option greeks were introduced in the platform with 16+ different greeks which are calculated and updated in real-time, along with the customization facility to help quant based traders make trading decisions easily.
- Basket advisory - Users will now get advisory recommendations, akin to trading strategies, for the entire basket.
- Strategy chart - Introduced strategy charts for analysis on how a strategy is performing in the market.
- Customizations such as Sticky order form. Also, now users can pop-out tabs to a new browser window making the platform a single package to be used across multiple monitors enabling full time traders to monitor their positions, orders, option chain, etc. at the same time across multiple screens.
- Other than feature addition, mostly we focused on technological improvements. In order to achieve faster order and trade updates, we introduced web sockets with "solace" based messaging which provides super fast updates. We also rewrote the complete option chain code in order to optimize it and make it future-ready for even more feature additions in the option chain.

tv.5paisa

With the help of tradingview library, we added a new platform to our trading ecosystem namely tv.5paisa. Using this platform, users can place trades directly from the charts and also track their orders and positions along with tv.5paisa leverages tradingview's powerful charting capabilities to deliver charting experience which is at par with the best-in-class services across industry. Adding this platform to our ecosystem, we have established great synergy between charting tools, analysis tools and trading tools.

Tradestation 2.0

Tradestation is the primary web-based platform offered to 5paisa clients for accessing the entirety of capital markets. Users can trade/invest in stock, derivatives, commodities, currencies, IPO, mutual funds, Bonds, ETFs and any other instrument available in the exchanges. We've revamped the entire tradestation platform from a UI/UX perspective to enhance the intuitiveness and usability of the platform. We've also upgraded the entire tech stack for the platform to reactJS in order to bring more stability and faster response on the platform. The entire platform has been developed keeping in mind the new-age transformations in the trading and investment industry and to ensure prompt adaptability to any changes.

We have streamlined the UI/UX across all the 5paisa applications in order to bring a common theme across all the applications and websites.

Feature-level details

SMART STRATEGY

Smart strategy is an algo-based strategy execution tool used for trading derivative strategies. Users can leverage the power of algos to execute their strategy and also exit the strategy on predefined conditions such as strategy level stoploss/target or % based stoploss/target. (Ref: Introduction to Smart Strategies in FnO 360 (5paisa.com)). Leveraging the same technologies, we have also introduced a scalping tool which again helps derivative traders execute their strategy and get the maximum returns from them.

BULK ORDER

Bulk order is a facility for traders where they can place multiple orders for different scrips in a single click. Bulk order facility is designed to facilitate large volume traders and strategy based traders to place/modify/cancel multiple orders at the same time. We are revolutionizing the order placement process using the bulk order facility and adding more and more features to this module such as placing those orders as smart orders, analyzing the payoff of the selected orders and much more.

STRADDLE OPTION CHAIN

This is yet another addition to our wide range of features for Option Chain, highlighting our focus on the same. Straddle is an option strategy where you go long or short on both call and put options of the same strike price at the same time. So in just one click, users can convert their option chain into a straddle chain and also place orders directly there itself.

STRATEGY BUILDER

Users can build their option strategy directly from the option chain and can view their payoff along with the overall margin requirement. Users can also place the orders directly from here and also place those orders using execution algo's.

DERIVATIVES SCREENERS

Dedicated dashboards section containing multiple different types of screeners for the derivatives market. OI gainers/losers, Intraday buildup, Index contributors, short covering, long buildup, long unwinding, short buildup, and many more.

BSE FO

We have enabled the Sensex and Bankex contracts for trading, using any of our 5paisa applications. We are also the first broker to provide the Sensex and Bankex contracts trading on the same day of contract introduction.

TARGETING LARGE AND INSTITUTIONAL GRADE TRADERS

API ecosystem

We have rebranded Developer API to Xstream API. The platform has been designed to serve as a comprehensive solution for all API/Algo trading users.

Xstream has been developed based on feedback from our trusted user community. Here are some of the key features of the Platform –

- 1. Rebranding:** We have rebranded from Developer API to Xstream API to better showcase our API offering and make it stand out.
- 2. Xstream Home Page:** Highlights API pricing and features, providing users with a clear overview of what the platform offers.
- 3. Revamped API Documentation:** We have simplified our API documentation to make it more user-friendly and accessible.
- 4. Dedicated Partners Page:** A dedicated space for our partners, showcasing our collaborations and integrations.
- 5. User Dashboard:** A personalized dashboard where users can manage and view their API credentials.
- 6. API Kits:** Curated API kits to streamline the integration process for new users.

Partner integration / addition :

MARKETMAYA, FOXTRADER, InstaOptions, Disclosure360, LIQUID, ALGOTRON

Technological advancements -

- Migration of APIM gateway to Kong to reduce API latency by 80ms
- Centralized log writing for all API's
- Code cleanup and optimization activity to improve latency stats
- "TradingView webhook" to enable users to place trades on tradingview alerts and to write their own algos using pinescript
- Publisher JS(Tradebutton) - Allows clients/partners to embed 5paisa trade button on their website or platform
- Revamped version of .Net(C#) and Nodejs library

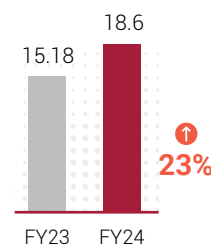
Algo's and other tech/infra upgrades

In the past year, we've successfully established a disaster recovery (DR) setup at GIFT City, ensuring that our operations remain uninterrupted even in adverse situations. This new infrastructure operates alongside our existing trading setup, allowing us to distribute the workload across three locations. This approach enhances resilience against network loads, providing reliable access to our services. Moreover, we've upgraded our algo trading application, which now offers improved functionality and better support for our users. To further enhance performance, we expanded our infrastructure to ensure faster execution speeds with minimal latency for clients across the country.

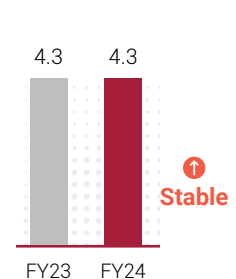
Additionally, we've added support for BSE FO to our algo applications, broadening our trading capabilities. Our load optimization efforts included separating nodes for order placement and retrieval requests, which significantly improved load distribution and order processing efficiency. These enhancements collectively contribute to a more robust trading environment, ensuring that our clients receive the best possible service and experience.

DIGITAL DRIVE

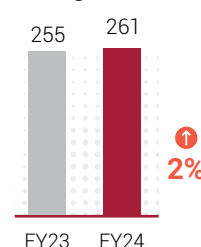
App Installs
(in Million)



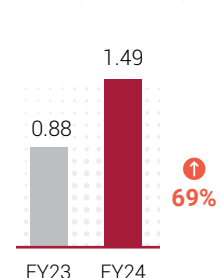
App Rating



Talented Digital Employee Strength



MAU (in Million)



Our Value Creation Model

CAPITALS

INPUTS

OUR OFFERINGS



Financial Capital

Our strong capital base comprises the financial resources that help create higher returns for investors and run business operations

Capital Employed	: ₹ 8,762 Million
Total Equity	: ₹ 5,399 Million
Debt Funding	: ₹ 3,363 Million



Human Capital

Our human capital comprises a diverse, motivated workforce. We continue to invest in their welfare and upskilling

Total Number of Employees	: 548
Women Employees	: 179
Employee Benefit Cost	: ₹ 895 Million
Training hours	: 15,260
Average age of workforce	: 32



Service Capital

We leverage our deep expertise in understanding consumer behavior, enabled by cutting-edge digital platforms, to establish seamless connections with our valued customers. This empowers us to deliver exceptional services and cater to their diverse needs efficiently

Mobile application provides one-stop solution for all investment needs
 FnO 360 - Dedicated platform for derivatives trading
 Revamp of entire onboarding journey leading to an improved DIY%



Intellectual Capital

Our intellectual capital comprises technology-backed infrastructure and well-established platforms to process investment decisions, manage risks and deliver effective customer service

Superior digital platform with improved UI/UX
 32% workforce dedicated to Tech and Product
 Transition to Flutter for the mobile app to enhance performance, reduce latency and unify Android and iOS experiences



Social and Relationship Capital

Our social and relationship capital is built on the strong and long-standing relationships with our key stakeholder groups

Amount Spent for CSR Activities	: ₹ 6.72 Million
Taxes Paid	: ₹ 177 Million
Total no. of active Clients	: 5.4 Lakhs
Courses offered at FinSchool	: 15



Natural Capital

We recognize the impact of our operations on natural resources, such as energy, water, and climate. Through responsible resource management and sustainable practices, we strive to minimize our ecological footprint.

100% digital onboarding process & treatment of e-waste in an environment-friendly manner

Investment products

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

Technology

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

Pillars to achieve our vision

- Product Stability
- Build Scalable Digital Funnel
- Cohort Curation
- Ecosystem Development (franchisee, API, cross-sell)



→ **OUTCOMES** → **OUTPUTS** → **STAKEHOLDERS IMPACTED**

Financial Capital

Revenue from Operations: ₹ 3,947 Million
 ROE: 10%
 PAT: ₹ 544 Million
 EPS (Basic): ₹ 17.65

Human Capital

Remarkable strides in talent infusion, training, performance evaluation and employee engagement
 Development of a unified HR management system
 New learning platform for technical skills and personal development
 Diverse and inclusive workforce with high degree of collaboration

Service Capital

Average Time Spent on App: 22 minutes
 DIY%: 7.5% (up from 2.5%)
 Average Funding Book: ₹ 292 Crore
 87% STP (without human intervention)

Intellectual Capital

App rating: 4.3
 App installs: 18.6M (up by 23%)
 Growth in Daily Active Users: 41%
 Growth in Monthly Active Users: 69%

Social and Relationship Capital

No. of Lives benefited through CSR: 2,250+
 No. of Grievances Resolved: 100%
 Customers added during the Year: 7.4 Lakhs
 High customer satisfaction with improvement in NPS Score

Natural Capital

Reduction in paper consumption
 Reduction in energy, water and waste consumption

21%
 Growth in our customers

86%
 Growth in ADTO

39%
 Growth in the number of orders

23%
 Growth in the number of App installed

2.36%
 Retail Market Share

18.6 Million
 App downloads

New derivative features
 Added with reduced latency

100%
 Paperless Client Activation

Profitable
 Listed Discount Broker with strong Network

- Investors
- Customers
- Employees
- Communities
- Government/Regulatory Bodies

- Employees

- Customers
- Employees

- Customers

- Customers
- Employees
- Government/Regulatory Bodies
- Business Partners
- Communities

- Communities



Message from the Chairperson's Desk



FY 2023-24 was another year of strong, all-round performance by 5paisa. Our best-in-class technological capabilities make us stand out in an otherwise crowded market. This, along with our approach of providing bespoke services to existing and newer customers works well for us.

Dear Stakeholders,

I write to present to you the Annual Report of our Company for FY 2023-24.

But first, let me deep dive in the macro-economic trends seen during the year. The Indian economy continued its trajectory of healthy momentum during the year, retaining its status as the fastest-growing major economy in the world. This performance is commendable especially when viewed in the context of rising global vulnerabilities and geopolitical concerns. Continued traction in domestic demand along with comeback of rural consumption were key factors fueling the economy. A solid manufacturing sector and healthy investments in infrastructure provided further impetus. In this scenario, India's real GDP grew 8.2% in FY 2023-24, as compared to 7.2% in FY 2022-23 and exceeded expectations which ranged from 6.6% to 7.9%. Going forward, robust government capex, a rising tax-to-GDP ratio, and strong foreign investment inflows could help drive economic growth. From here on, though, all eyes will be on RBI's stance on interest rates.

The RBI forecasts a real GDP growth of 7.2% in FY 2024-25. Improving global trade and increased integration into global supply chains will support net external demand. However, geopolitical tensions, financial market volatility, and geo-economic fragmentation pose risks to the outlook.

The Fintech revolution seems to have only begun in India with India's digital payments expected to surpass US\$ 1 Trillion by 2030 (Source: Nasscom-Arthur D Little report). Presence of long-term, structural drivers, namely, government's emphasis on the cashless economy, empowering rural populace and driving inclusive growth augurs well for the fintech sector in the country. Growing income levels, continued strength in the economy, focus on innovation and an enabling regulatory environment, coupled with under-penetration of financial services in India present a vast opportunity landscape. Improving availability of smartphones, better access to internet at higher speed connectivity are other positives. Companies with proven competitive moats and strong governance practices are well poised to benefit the most from these opportunities.

FY 2023-24 was another year of strong, all-round performance by 5paisa. Our best-in-class technological capabilities make us stand out in an otherwise crowded market. This, along with our approach of providing bespoke services to existing and newer customers works well for us. It is our constant endeavor to put our best foot forward for our esteemed patrons and to this end, we make the investments needed to further augment our capabilities across technology, people and customer service.

At 5paisa, we are also committed to contributing to society and widening our social outreach to enhance the quality of life of the underprivileged through our comprehensive CSR programs. This year, we started initiatives contributing to conservation of indigenous languages and providing employment to women from marginalized communities. Through these efforts, we have positively impacted over 2,250 lives, empowering them with skill development and a sustainable livelihood.

ROLE OF TECHNOLOGY IN BROKING ADVANCEMENTS

Digital technology is revolutionizing the broking and investment sector. Today, stockbrokers are harnessing advancements in data analysis, decision-making, and risk management to boost efficiency and deliver a more

personalized user experience. AI algorithms, for example, analyze user behavior and usage patterns to provide tailored recommendations for news, research reports, and investment products. This personalized approach helps investors make informed decisions that align with their interests and goals.

Investment apps leverage AI to assess a user's portfolio and risk profile, suggesting strategies that fit their individual needs. By integrating such technology, we enhance our clients' experiences with intuitive, responsive, and highly personalized services that meet their unique financial objectives. These advancements allow brokers to make better-informed decisions, execute trades more efficiently, and manage risks more effectively. Embracing technology not only enhances service delivery but also drives greater financial inclusion and improves overall market efficiency.

At the end of the year under review, our app downloads grew to 18.6 Million (from 15 Million at the end of FY 2022-23) and maintained the rating of our app at 4.3 stars, reflecting high user satisfaction. We now serve more than 4.2 Million customers (up from 3.5 Million customers in FY 2022-23) and create superior experience for them constantly.

The key pillars of our strategy, namely, a) growing through mutually-rewarding partnerships (with fintech companies and investment experts), b) focusing on Do-It-Yourself (DIY) customers and welcoming new investors (from tier 2 and tier 3 cities) will drive our growth from hereon. We believe there is potential to do a lot more in each of these areas and are confident of optimizing their potential.

In the end, I would like to extend my heartfelt gratitude to all of you for being a constant source of strength and support in our journey so far. Our employees, customers, investors, regulators, communities and all other stakeholders are an inseparable part of our growth and we are committed to creating sustainable value for all of them. We are confident of fostering growth through innovative digital platforms in the future as well.

Warm Regards,

Dr. Archana Hingorani
Chairperson

Message from the Managing Director & CEO



Dear Stakeholders,

Presence of multi-year, structural drivers continued to aid performance of Indian capital markets during FY 2023-24. Benchmark indices as well as broader indices witnessed healthy momentum with Sensex and Nifty growing 25% and 29%, respectively; while BSE Midcap and Smallcap indices surging 63% and 60%, respectively. Formalization of investment management and advisory, continued financialization of savings lend strength to the traction seen by the capital markets in the country. Increase in the number of demat accounts was at a record level, reflecting strong interest from retail investors in capital markets. Total number of demat accounts stood at 151.4 Million, up 32% over FY 2022-23. Another positive factor was the doubling of the monthly notional value of derivatives traded on Indian exchanges to ₹ 8,737 Trillion in March 2024 with respect to March 2023.



A proactive and constantly evolving regulatory environment is going a long way in fostering participation of retail investors in the markets. Simultaneously, a robust technology ecosystem is providing high convenience and several value-adds to retail and institutional investors alike.

A proactive and constantly evolving regulatory environment is going a long way in fostering participation of retail investors in the markets. Simultaneously, a robust technology ecosystem is providing high convenience and several value-adds to retail and institutional investors alike. Relatively lower penetration of financial services in India is another fundamental growth driver for the capital markets. Industry participants having solid execution capabilities and unmatched competitive moat are best placed to capitalize this opportunity landscape.

At 5paisa, we have built a resilient and scalable business model leveraging 4 key pillars. These are a) Ensuring Product Stability by building a highly available and stable system across all platforms b) Establishing a scalable Digital Funnel for optimization in lead to account opening and 30-days client activation c) Targeted initiatives to increase engagement and Cohort-based personalized offers for existing customers d) Development of a powerful Ecosystem for Partners and API Developers through strategic partnerships leading to a thriving Marketplace to drive various cross-sell products. With a firm gaze on maximizing these strengths, we look to foster our growth through our innovative digital platforms.

Considering the increase in retail participation, high-volume traders & Algo traders and their ever-changing requirements, we are continuously working on improving our products to provide best-in-class facilities. For retail investors, we've streamlined our UI/UX across all 5paisa applications for ease of use; along with personalized research-based recommendations for higher engagement. For high-volume and Algo traders, we have implemented numerous initiatives to provide a stable, reliable, and highly available platform with low crash rates, high order throughput, and a robust API. During the year, we launched Trade Station 2.0 - our revamped web trading platform, which offers an enhanced user interface and a smoother experience for advanced traders. We've also made rapid strides in developing and enhancing our API ecosystem. Our new Xstream API ecosystem offers a dedicated landing platform, for users who want to create their own trading system with customized algos, with better collaborative capabilities and improved support for key and credential management. Additionally, our FnO 360 platform has garnered significant interest from traders because of the availability of many advanced features like bulk order placement, open interest tracking, advanced option chain, one-click strategies and detailed statistics - all essential for traders.

Our performance during FY 2023-24 is a testament of our ability to bring strategy to life. Our platform saw a 39% Y-o-Y increase in total executed orders, surpassing 184 Million orders during the year and Average Daily Turnover (ADTO) exhibited rapid growth, increasing by 86% Y-o-Y to nearly ₹ 3.5 Trillion. We witnessed 69% growth in Monthly Active Users. Our revenue from operations grew by 16% to ₹ 395 Crore, while our profit after tax surged to ₹ 54 crore, growing by 25% over FY 2022-23. Cash and cash equivalents grew to ₹ 1,637 Crore, driven by an increase in client margins and cash generated from the business. As we strive to deliver

nothing but our best to our customers, our focus is on driving efficiencies across our product offerings, customer service and overall customer experience. Lower cost of customer acquisition coupled with state-of-the-art technology across platforms and capabilities have made us a preferred choice of new-age and veteran investors alike.

During the year, regulators continued to work towards strengthening the corporate governance practices of stockbrokers and protecting the interest of retail investors. Amendments made with regards to allocation of collaterals at an individual client level, upstreaming of client funds, ASBA and T+0 settlement all are in the right direction and will further strengthen the business practices of stock broker companies in India. As a designated Qualified Stock Broker (QSB), 5paisa has diligently adhered to all guidelines mandated by NSE and BSE throughout the year concerning compliance, transparency, and disclosures, which has further strengthened our company.

Our proven track record of providing innovative offerings in the discount broking space in India has held us in good stead through the ebbs and flows of various market cycles. Our solid market insights and robust execution capabilities act as the wind beneath our wings, taking us higher. We look forward to our future with zeal and optimism and are committed to providing highly reliable and seamless trading experiences to our customers and creating long-term, sustainable and holistic value for all our stakeholders.

I want to reassure our investors that we are committed to advancing product development, investing in technology, enhancing customer experiences and optimizing costs. We are optimistic about the future and the potential for sustained accelerated growth. Our focus is on innovation, delivering exceptional client experiences, and promoting sustainable business practices. We are confident that these efforts will drive revenue and profitability growth in the upcoming quarters.

As I conclude, I'd like to warmly thank our dedicated employees for their consistent commitment and invaluable contributions. Their hard work has been vital in making our initiatives a reality. I also want to express our gratitude to our shareholders, patrons, partners, regulators and all our stakeholders for their continued support and collaboration. I solicit your continued association with 5paisa in the future.

Yours sincerely,

Narayan Gangadhar
Managing Director & CEO

INDUSTRY POTENTIAL

Burgeoning Market Opportunities



The burgeoning opportunities within India's financial marketplace have sparked an escalating demand for innovative products and solutions. This surge is predominantly fueled by the tech-savvy individuals striving for financial independence, bolstered by the nation's expanding digitally-native population. Further amplifying this growth is the unwavering government support dedicated to building robust digital and financial assets.

DEMOGRAPHIC SHIFT: INCREASING YOUNG POPULATION

In the upcoming decade, India foresees an annual increase of 15-20 Million in its digital-native population, including Gen Z and Millennials. This demographic shift is expected to catalyze significant demand growth for digital financial services across the country in the years to come.

INDIA'S YOUNG POPULATION AND GROWING INTERNET PENETRATION

India's population was recorded at 1.21 billion during the last census, conducted in 2011. The report detailed that an estimated 24% of India's population is aged 0-14, while 17% falls within the 10-19 age range. Moreover, the segment aged 10-24 constitutes 26% of the population. This young demographic presents the industry with significant opportunities to attract new investors, as the younger population is more technology savvy and inclined towards new-age financial products.

Additionally, internet penetration is on the rise, with 52% of the Indian population, or 759 Million people, currently accessing the internet. Projections indicate that India will have an active user base of 900 Million by 2025.

(Source: Census of India)

Our response

At 5paisa Capital, our strategy focuses on attracting Millennials and Do-It-Yourself (DIY) investors, which constitute some of the major chunks of India's population. Our marketing efforts are tailored to engage these target customers through an enhanced social media presence. Additionally, our state-of-the-art mobile applications and advanced trading platform offer faster trading options, along with comprehensive research and market insights, empowering our customers to make informed trading decisions.



**IMPROVING DIGITAL INFRASTRUCTURE
DRIVING FINTECH MARKET GROWTH**

The impact of the COVID-19 pandemic has accelerated the adoption of digital financial transactions. Also, rising consumer demand as well as the advent of innovative business models and technologies to make processes and services seamless, cost-efficient and customer-centric have resulted in the Open Credit Enablement Network (OCEN) a step forward for the fintech industry to grow steadily. This development aligns with India's position as the world's third-largest FinTech market. The country is also poised for substantial growth, projecting a Compound Annual Growth Rate (CAGR) of 31% up to 2025, surpassing the global growth rate.

The active internet user base in India is consistently expanding, with over 759 Million citizens presently online. Projections indicate that this figure is set to surge to 900 Million by 2025. This burgeoning population of active Internet users presents a tremendous opportunity to cater to the escalating demand for innovative financial services.

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 features and pages were created based on our findings of the keyword research and competition analysis. This helped us move 1,20,681 keywords to the first page of Google and attract more organic traffic to our website.

Organic new users have increased by 295% compared to the previous financial year.

Initiatives to improve quality of non-organic acquisitions were also undertaken by narrowing the TG of users using advanced cohorting mechanisms and optimization of marketing spends.

31% CAGR

India's Fintech Growth Rate

900 Million

Active Internet Users in India by 2025

(Source: PwC | The changing face of financial services: Growth of FinTech in India, Kantar)

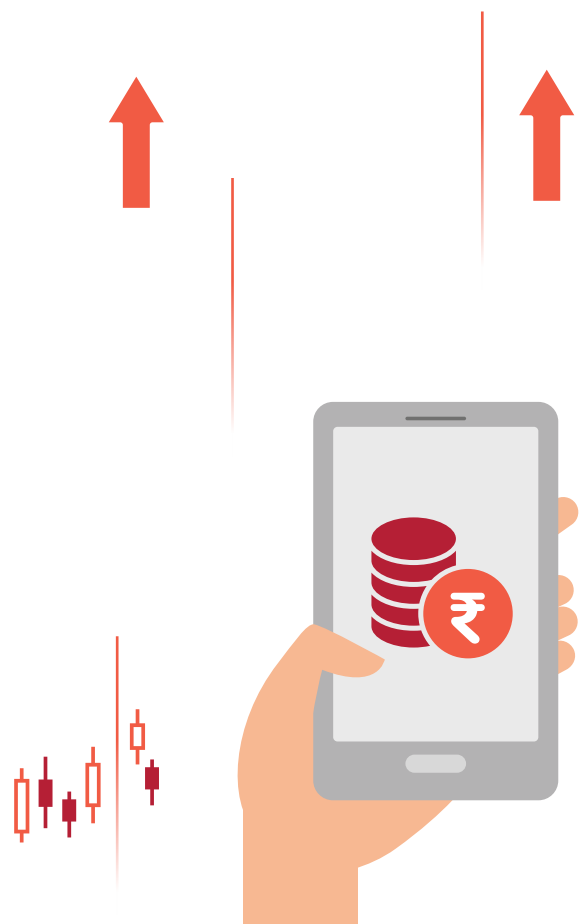
Our response

To tap into the growing fintech broking business, several initiatives were undertaken to revamp our website (to further ease navigation) and app, improve client experience and attract more clients.

Traffic on our website has increased 116% from 44 Million to 96 Million in FY 2023-24

1,20,681 keywords rank on 1st page of Google versus 63,745 keywords in the previous year

Organic Leads increased by 150% from 3 Lakh (FY23) to 7.5 Lakh (FY24)



GROWING DEMAT ACCOUNTS

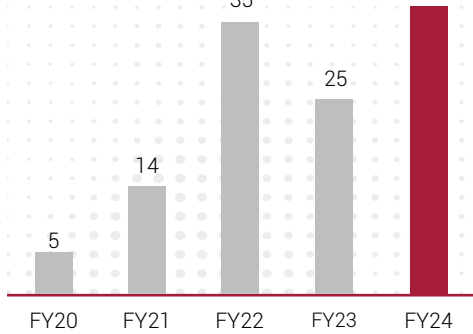
India remains significantly untapped concerning geographic outreach and the portion of wallet share allocated to wealth, credit, and protection products. However, there's a surge in new demat accounts, with 37 Million added in FY 2023-24 at an average monthly rate exceeding 2 Million. The growing number of new demat accounts indicates a persistent expansion of individual investors in India, highlighting a promising opportunity within the industry.

Our response

Our seamless digital offerings along with unparalleled digital acquisition capabilities, position us well in the industry to garner a dominant market share. The growth delivered over the last three years is a testimony to our impending future. Our low-cost-to-serve digital model empowers us to profitably expand our operations, thus giving us strong momentum.

Industry Demat Account

(In Million)



37 Million

New Demat Accounts added in 2023-24

7.4X Growth

In the new demat account from FY 2019-20 to FY 2023-24

INCREASED AWARENESS OF FINANCIAL PRODUCTS AS AN ASSET CLASS

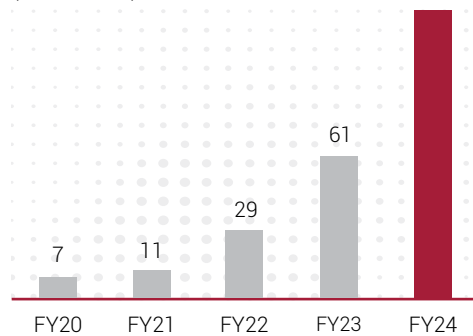
Rising financial literacy among people is encouraging them to diversify their savings from conventional asset classes to include equity and related products in their portfolios. Younger people are onboarding to this journey and will continue to participate for a longer time in their careers.

Our response

In recent years, 5paisa has experienced positive outcomes due to the growing financial inclusion and the increasing trend of transforming domestic savings into financial assets. The client base alone has witnessed a significant 21% rise in the fiscal year 2023-24.

Industry Retail Derivative ADTO

(₹ in Trillion)

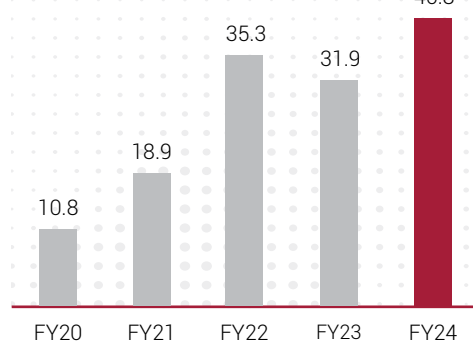


↑ 108% CAGR

In Retail Derivative Average Daily Turnover (ADTO)

Industry Active Clients

(In Million)



↑ 4X Growth

In Number of NSE Active clients



OUR INVESTMENT PROPOSITION

Invest in Excellence

EXPANDING DIGITAL INFRASTRUCTURE



At 5paisa Capital, our investments in technology and digitization are leading to improved customer experience and active client ratio. We are making regular investments in IT, data analytics, User Interface (UI) & User Experience (UX), and in enhancing the customer behavior journey to simplify and enrich their overall experience. Our growing digital prowess is also enabling the acquisition of customers with varied demographics. Upgradation of our tech stack is driving speed, flexibility and scalability in our business. We are in the process of adopting Cloud, DevOps and modern data capabilities to enhance our technology edge. We have expanded our tech employee base by 2X, along with the induction of new-age tech talent, tools and capabilities.

₹ 675.84 Million

Invested in expanding digital infrastructure

GROWING CUSTOMER BASE



5paisa Capital is rapidly expanding its customer base through the integration of cutting-edge digital systems and a robust digital media presence. Our advanced technology offers seamless, user-friendly financial solutions that cater to modern investors. By strategically focusing on Tier 2 and Tier 3 cities, we have tapped into underpenetrated markets, bringing sophisticated investment opportunities to a broader audience. Our enhanced reach through social media platforms allows us to connect with and empower a diverse range of customers, fostering financial inclusion and driving unprecedented growth. Through innovation and strategic outreach, 5paisa Capital is redefining the landscape of financial services.

21%

Increase in client base

STRATEGIC PARTNERSHIPS WITH FINTECH



At 5paisa Capital, we are incessantly seeking innovative ways to elevate the client experience while expanding our customer base. Our growth is significantly bolstered by mutually rewarding and strategic partnerships with various fintech companies and investment experts. These collaborations enable us to go above and beyond in crafting a superior experience for our clients, offering unparalleled ease of transactions and best-in-class services.

25+
partners

EXPERIENCED AND VISIONARY LEADERSHIP TEAM



At 5paisa Capital, our experienced and visionary leadership team drives our success. With deep industry expertise and forward-thinking strategies, they navigate the dynamic financial landscape, fostering innovation and growth. Their unwavering commitment to excellence ensures we deliver exceptional value to our clients and maintain a competitive edge in the market.

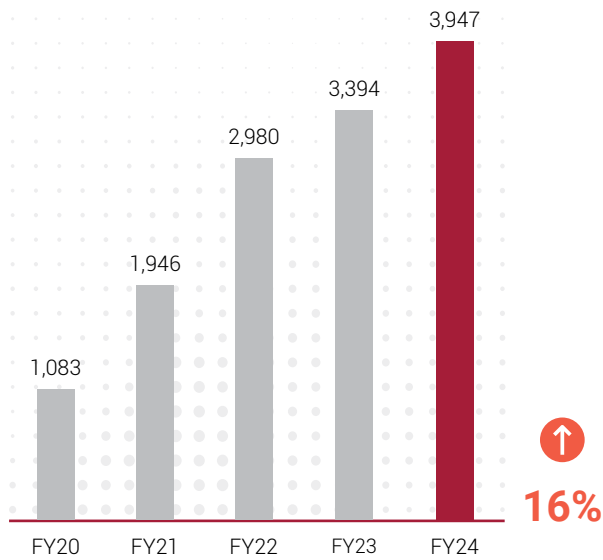
26+

Years Total Board's Experience

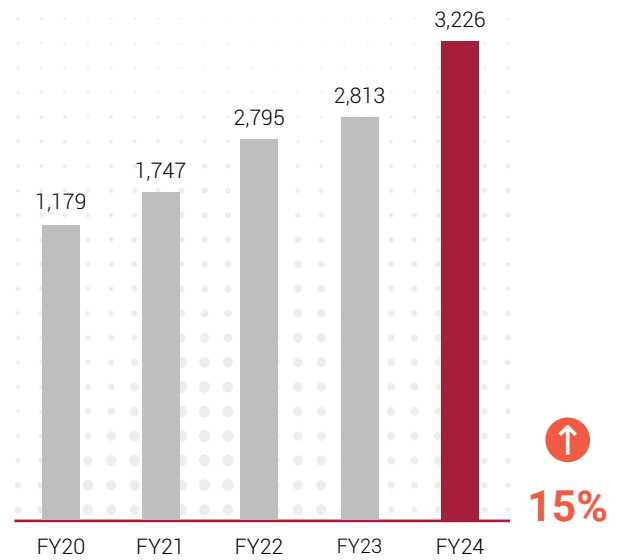
FINANCIAL HIGHLIGHTS

Our Robust Financial Performance

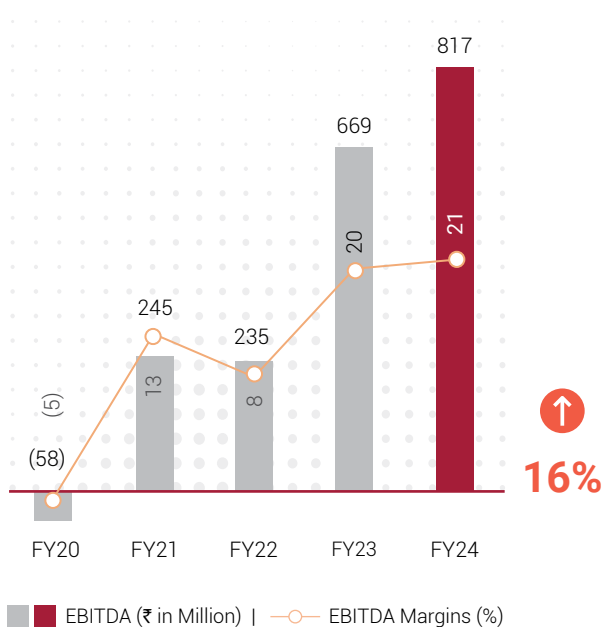
Total Income
(₹ in Million)



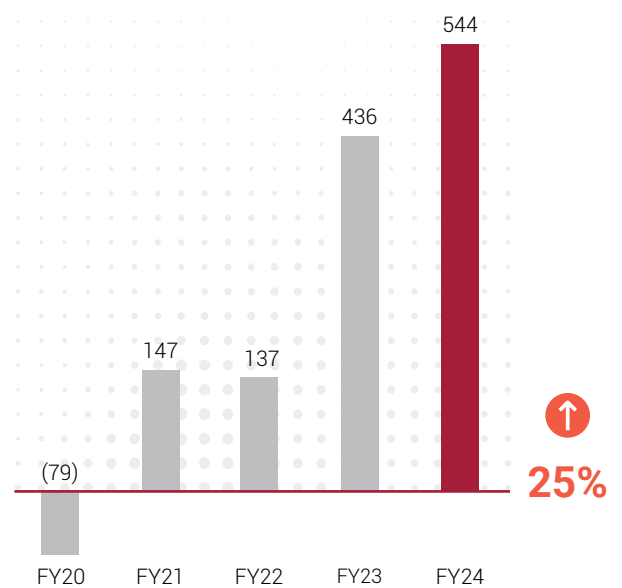
Total Cost
(₹ in Million)



EBITDA and EBITDA Margins*
(₹ in Million)

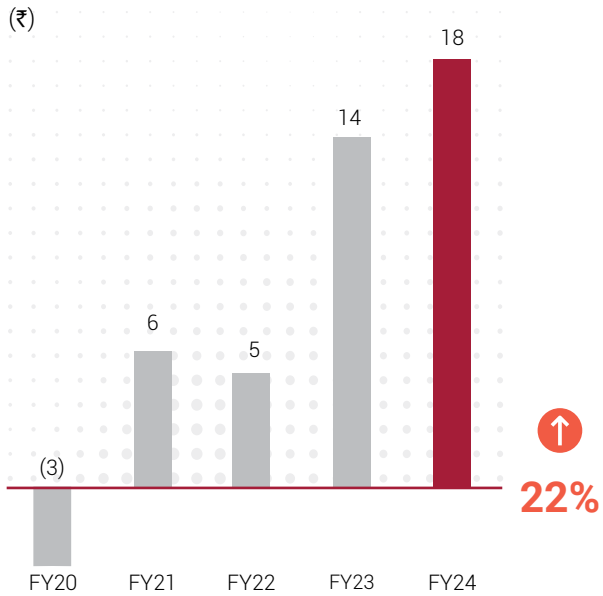


Profit After Tax
(₹ in Million)

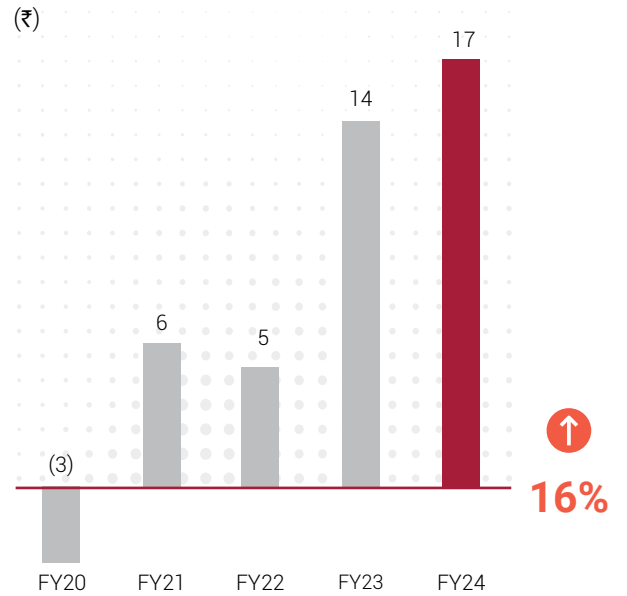


* EBITDA: Earnings Before Interest, Taxes, Depreciation, and Amortization

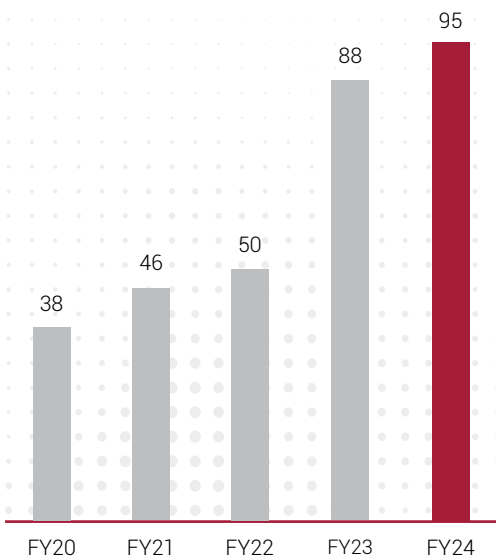
EPS** Basic



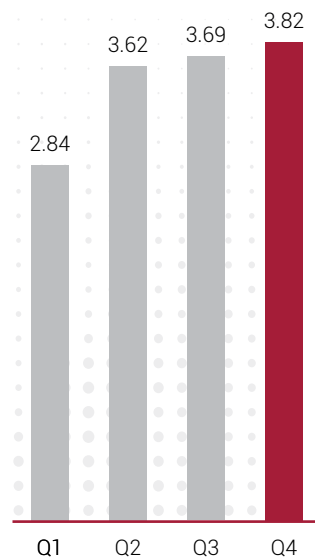
EPS** Diluted



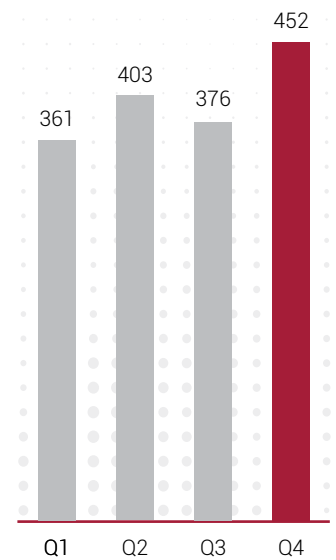
Depreciation, Amortization and Impairment
(₹ in Million)



Quarterly ADTO*** (FY24)
(₹ in Trillion)



Quarterly Brokerage (FY24)
(₹ in Million)



**EPS: Earnings Per Share

***ADTO: Total Average Daily Turnover

CLIENT TESTIMONIALS

Transforming Investments into Success Stories


Atul Bahl

5paisa has been my brokerage of choice for the last 2 years and there's been a massive difference from the previous brokers I had worked with, in terms of technology offerings, stability of platform and customer service, which is the cherry on the cake. I always refer them to my friends when asked for a broker to trade or invest with.


Rachit

5paisa has a very user-friendly interface, low cost brokerage plans which overall increases my profitability I am trading in 5paisa since more than 3 years and their customer service is top notch. Highly tech-driven system makes it faster and reliable.


Nazir Gaffarbhai Dhanani

Excellent services by 5paisa Capital. They provide best quality services in mobile app and web portal. My overall experience is very good. 5paisa Capital provides me many advantages in trading and investment. Good and supportive customer support with multi brokerage plan, and great trading tools in derivatives segment Thank you... Nazir Dhanani (trader, investor).


Shreyansh Jain

I have been using 5paisa platform since 2015 and have only seen their team take each problem of trader as a challenge which is meticulously resolved via technology. Its by far the best platform be it mobile app, web or FnO. Its been by far the best journey of my life and my sincere thanks to 5paisa for being part of it.


Rishabh Dudheria

I have been actively trading using 5paisa since 2020. They have been constantly updating their platform to provide up-to-date features to enable seamless and efficient trading experience to clients. Also, their team gives importance to feedback given by clients and is open to incorporating client's suggestions regarding improvement of the platform. Rishabh Dudheria received PhD in ECE from Rutgers, The State University of New Jersey and worked earlier as an Assistant Professor at New York Institute of Technology. He has been trading full-time since 2020 and provides training / education services to interested parties regarding the Indian stock market. He also regularly posts his view on the market through his Twitter channel (@DrRishabhD).


Anubha Gujaral

As a new investor, I found 5paisa to be incredibly helpful with its watchlist, which helps me track real-time market prices and charts. It's very easy to use. The app offers a range of investment options, from stocks to mutual funds, all in one place. Their customer support is also excellent, always ready to assist with any queries.

RISK MANAGEMENT

Safeguarding Success Through Effective Risk Mitigation



At 5paisa Capital, we have implemented procedures and frameworks to ensure a comprehensive approach to managing risks across the entire organization. These measures are instrumental in identifying, assessing, reporting, and mitigating potential risks that may arise during the course of our business operations.



DATA AND CUSTOMER PRIVACY : Risk

Rationale for identifying the risk/opportunity

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.

In case of risk, approach to adapt or mitigate

At 5paisa Capital, we have 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.

We have 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.

Financial Implications

Negative

- Reputational risks
- Data privacy related issues may lead to litigation risks / financial risks
- Regulatory risk in terms of fines, penalties, etc.



RESPONSIBLE MARKETING : Risk & Opportunity

Rationale for identifying the risk/opportunity

Customer acquisition and retention is directly dependent on transparent, comprehensive and clear communication and branding of our products and services

In case of risk, approach to adapt or mitigate

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

Financial Implications

Positive:

- Enhanced customer base
- Increase and stability in revenue
- Improvement in customer retention
- Satisfied customer thereby increasing customer loyalty



RISK MANAGEMENT : Opportunity

Rationale for identifying the risk/opportunity

Optimizing our risk-return equation is possible through responsible risk identification and management processes – of both financial and non-financial risks.

In case of risk, approach to adapt or mitigate

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.

Financial Implications

Positive:

- Enhanced regulatory compliances
- Stable and predictable business
- Value creation
- Supports business continuity


CORPORATE GOVERNANCE AND ETHICS : Risk
Rationale for identifying the risk/opportunity

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.

In case of risk, approach to adapt or mitigate

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.

Financial Implications

Negative:

- Reputational risks
- Image/perception of the institution
- Dissatisfied customer


REGULATORY COMPLIANCE : Risk & Opportunity
Rationale for identifying the risk/opportunity

Strict compliance to rules and regulations helps us gain confidence of stakeholders and grow responsibly.

In case of risk, approach to adapt or mitigate

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.

Financial Implications

Positive:

- Transparent and well governed Organization
- Strong brand image


CUSTOMER SATISFACTION : Opportunity
Rationale for identifying the risk/opportunity

Identification and fulfillment of customer needs and expectations is essential for their retention and loyalty thereby contributing to increased revenues

In case of risk, approach to adapt or mitigate

Our company takes constant efforts in enhancing the products and services offered to the clients thereby adding value to their offerings

Financial Implications

Positive:

- Increase in repeat customer business
- Improvement in market share
- Better asset quality


HUMAN RESOURCES INITIATIVES : Opportunity
Rationale for identifying the risk/opportunity

Fair recruitment, hiring processes and efforts to build a congenial work environment through structured training / performance appraisal helps us in employee retention

In case of risk, approach to adapt or mitigate

Our company takes constant efforts in providing better benefits to its employees which includes monetary as well as non-monetary benefits

Financial Implications

Positive:

- Better employee retention
- Improvement in productivity


DIGITALIZATION : Opportunity
Rationale for identifying the risk/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.

In case of risk, approach to adapt or mitigate

–

Financial Implications

Positive:

- Seamless business operation
- Reduced cost
- Improved Turn Around Time (TAT)



CLIMATE CHANGE : Risk & Opportunity

Rationale for identifying the risk/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.

In case of risk, approach to adapt or mitigate

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.

Financial Implications

Negative

- Significant risks
- Physical and transition risks. Positive
- Drives better risk management and value creation



EMPLOYEE HEALTH AND WELLNESS : Opportunity

Rationale for identifying the risk/opportunity

Investing in employee health and wellness is essential for enhancing productivity and also ensures their retention and overall job satisfaction

In case of risk, approach to adapt or mitigate

–

Financial Implications

Positive:

- Enhanced loyalty and engagement among employees
- Increase in productivity



RESOURCE MANAGEMENT: Opportunity

Rationale for identifying the risk/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

In case of risk, approach to adapt or mitigate

–

Financial Implications

Positive:

- Lower cost and higher productivity
- Better resource utilization



TRANSPARENCY & DISCLOSURES: Opportunity

Rationale for identifying the risk/opportunity

Transparency and disclosure helps us for establishing stakeholder trust, gaining investor confidence, and fostering long-term business success.

In case of risk, approach to adapt or mitigate

–

Financial Implications

Positive:

- Effective Stakeholder Engagement Policy



COMMUNITY ENGAGEMENT: Opportunity

Rationale for identifying the risk/opportunity

Our CSR initiatives are aimed at promoting the development of vulnerable and marginalized sectors along with the benefits towards overall development of community

In case of risk, approach to adapt or mitigate

–

Financial Implications

Positive:

- CSR Projects & Engagements

INDUSTRY POTENTIAL

Environmental, Social and Governance (ESG)

We acknowledge our duty towards society as a whole. Our operations are deeply ingrained with Environmental, Social, and Governance (ESG) principles, which serve as a crucial perspective in evaluating the consequences of nearly all our choices.



ENVIRONMENTAL

CONSERVING TODAY FOR A GREENER TOMORROW

Our focus is on safeguarding natural resources and reducing our carbon footprint through specific, targeted actions.

KEY FOCUS AREA

Curbing the generation of plastic waste

Our company has stopped procurement of plastic stationery and encourages 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 of dry and wet waste.

Reducing paper and printing consumption

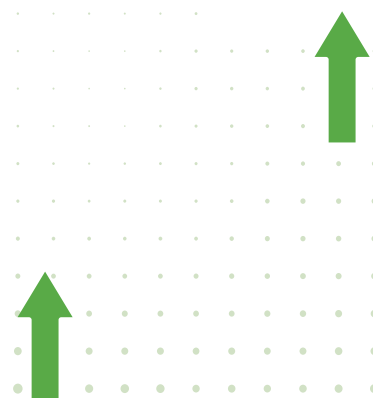
We have adopted robust measures such as digitizing processes to decrease paper usage. Ongoing efforts include minimizing paper use in offices. Customer loans now open digitally, with supporting documents uploaded digitally, eliminating paper consumption. Additionally, non-essential paper-based office stationery has been discontinued.

E-waste management

Our E-waste broadly includes computers, scanners, UPS, batteries, air conditioners, and other electronic equipment. All such E-waste is being disposed of through registered E-waste vendors.

INITIATIVES DURING FY 2023-24:

- 100% digital onboarding process & treatment of e-waste in an environment-friendly manner
- Promote Tree plantation at all our premises & spread awareness to "Save water" among all employees
- Drive digitalization & promote documentation electronically
- Treatment of e-waste in an environment-friendly manner





SOCIAL

We deeply value the relationships we cultivate with our diverse group of stakeholders, ranging from customers, employees, distributors, communities, and regulators.

FOSTERING CUSTOMERS GROWTH

Safeguarding our customers through robust cybersecurity

As a player in the financial services sector, our paramount commitment is to enforce formidable cybersecurity measures, ensuring the protection of our clients' sensitive information.

7.4 lakhs

New customers acquired during 2023-24

100%

of Grievances resolved during 2023-24

DURING THE YEAR, WE HAVE TAKEN THE FOLLOWING INITIATIVES:

- Defense-in-depth Security approach to safeguard information
- A comprehensive Cyber Security and Cyber Resilience framework, imbibing Industry best practices and covering all aspects of prevention and response
- Highly secured information systems with adequate controls are in place
- Organization is ISO 27001:2013 Certified





OUR EMPLOYEES



EMPOWERING OUR PEOPLE

At 5paisa, we believe that our people are our greatest asset. As a forward-thinking organization, we are committed to creating an inclusive, engaging, and dynamic work environment where our employees can thrive. Our HR initiatives for FY 2023-24 are a testament to this commitment, showcasing our dedication to employee well-being, development, and satisfaction.

A pivotal element of our success lies in our exceptional leadership. Our leaders champion a culture that is transparent, meritocratic, and performance-driven, which significantly aids in attracting and nurturing a talented workforce. By harnessing the power of advanced technology, we continuously seek to enhance productivity, work efficiency, and overall effectiveness. This commitment to leveraging innovative tools and practices ensures that our team operates at the highest levels of performance, driving the company's growth and success.

BUILDING A CAPABLE WORKFORCE FOR SUCCESS

At 5paisa, we prioritize the continuous growth and development of our employees, recognizing that a knowledgeable and skilled workforce is crucial to our success. Our comprehensive training programs are designed to empower employees with the confidence and independence needed to excel in their roles.

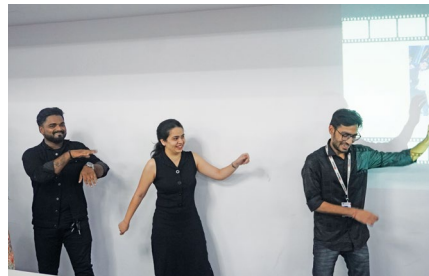
We leverage cutting-edge technology to deliver diverse learning experiences, including e-learning modules, video-based training, simulation learning, and mobile-based courses. These innovative methods ensure that our employees stay ahead of evolving industry trends and regulatory requirements.

In our commitment to compliance and ethical practices, we offer training on vital topics such as Anti-Money Laundering, Prevention of Sexual Harassment, Prevention of Insider Trading, Anti-Bribery & Corruption, and Information Security. These modules underscore our dedication to maintaining a safe and ethical work environment.

EMPLOYEE INITIATIVES

- Adopted all Employees welfare schemes (Gratuity, PF, Medical insurance etc.)
- Strengthened hiring practices to ensure a diverse and inclusive workforce, focusing on underrepresented groups
- Launched new e-learning platform offering technical skills, and personal development
- Organized virtual and in-person team-building activities to strengthen teamwork and collaboration
- Provided extensive training on data privacy and cybersecurity to protect sensitive information and ensure compliance with industry standards

- Held quarterly award ceremonies to celebrate outstanding achievements and contributions across the organization
- Upgraded to a unified HR management system, offering employees easy access to their profiles, performance reviews, and benefits
- Launched initiatives celebrating various cultural backgrounds and promoting an inclusive workplace environment



COMPENSATION AND REWARD

The Company recognizes various parameters for compensation including employee behavior, meritocracy, innovation, process improvements, teamwork, and leadership. The collaborative annual goal-setting process, along with the unique Variable Performance Pay Scorecard, promotes cross-functional collaboration and dynamic thinking, enabling employees to strive for their desired performance levels.

During the year, to further motivate the employees and retain the talent, we have announced RSUs (Restricted Stock Units) and ESOPs (Employee Stock Ownership Plans) for its employees giving them a sense of ownership.

Over the last year, we have been meticulously working towards four broad areas entailing talent infusion, training and development, performance and evaluation, and employee engagement.

Moreover, we believe in celebrating cultural festivities as a team, fostering a sense of unity and camaraderie. By promoting collaboration and teamwork, we create a positive and inclusive workplace where every employee feels valued and motivated.

Through these initiatives, 5paise is committed to nurturing talent, driving innovation, and ensuring that our employees have the resources they need to thrive and contribute to our collective success.

241

New Employees Hired in 2023-24

548

Total Number of Employees

₹ 895 Million

Employee benefit cost



COMMUNITY

EMPOWERING COMMUNITIES TOGETHER

Our Company is committed to contributing to society at large. Through our CSR activities in education, healthcare, and livelihood, we strive to uplift economically weaker sections of the Society.

₹ 6.72 Million
Contributed to CSR Activities

2,250+
Lives Benefited



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 75 locations in Sirohi district of Rajasthan, enabling an engagement with 2,250+ girls in the age group of 4 to 14 yrs. The initiative contributes to conservation of indigenous languages, provides employment to native females and promotes skill building of women from marginalized communities.

An Impact Assessment of the Sakhion ki Programme conducted by an independent agency (KPMG) highlights positive outcomes in the community. Almost all the PRI members and community members, in the study, agreed that IIFL Foundation's intervention is effective and 55% members agreed that education of girl child and women empowerment are important issues. The community members did express a progressive behavioral change towards gender equality. More than 60% of parents observed improvement in their child's confidence and skill, along with positive change in their learning outcomes. The empowered women, through skill development and livelihood, leading to an increase in their confidence, improved self-esteem, enhanced decision-making skills and an overall increase in respect in the community.



GOVERNANCE

ENSURING ROBUST GOVERNANCE

We believe that good governance extends beyond compliance. It creates and preserves value by ensuring responsible and ethical behavior, as well as enhancing accountability, leadership, risk management, performance management, and transparency.



BOARD'S RESPONSIBILITIES

- Overseeing our company's strategies and playing a crucial role in operational management to meet stakeholders' expectations
- Ensuring compliance with legal frameworks and maintaining the integrity of financial accounting and reporting systems, including timely and accurate shareholder disclosures
- Establishing our company's vision, objectives, and principles, and regularly evaluating business goals and policies
- Monitoring the governance practices with regularly reviews by the committees

ROBUST POLICY FRAMEWORK FOR EMPLOYEES

Our employees adhere to a commitment to ethical business practices, aligning with the core values that form the foundation of the company's sustainable growth. We offer instructional materials and modules covering crucial subjects such as Anti-Money Laundering, Prevention of Sexual Harassment, Prevention of Insider Trading, Anti-Bribery & Corruption, Information Security, and more.

26+

Years of Average Experience of Board Members

33.33%

of our Board consists of female members

66.67%

of the Board members are independent directors

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 fundraising, investing, nurturing investments through four different economic cycles and carving exit paths, among others, she has mentored and nurtured smaller start-ups in 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 Hingorani is a Chairperson of Risk Management Committee and Corporate Social Responsibility (CSR) Committee and is a Member of the Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Independent Directors Committee.



Mr. Narayan Gangadhar

MD & CEO



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. 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. Gangadhar was a Senior Director at Google helping 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. 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. Gangadhar was CEO of Angel Broking. Mr. Narayan is a Bachelor of Engineering from Mumbai University and a Master in Computer Science from Worcester Polytechnic Institute. As on March 31, 2024, Mr. Narayan Gangadhar is a Chairman of Finance Committee and is a Member of Stakeholders Relationship Committee, Risk Management Committee, Corporate Social Responsibility (CSR) Committee, Environmental, Social and Governance (ESG) Committee, Information Technology (IT) Committee, Cyber Security Committee.



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). Ms. Nirali Sanghi is a Chairperson of Nomination and Remuneration Committee, Stakeholders Relationship Committee, Environmental, Social Governance (ESG) Committee and a Member of Audit Committee, Corporate Social Responsibility (CSR) Committee, Independent Directors Committee.



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 focuses 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 Chairman of Independent Directors Committee, Information Technology Committee, Cyber Security Committee and a Member of Audit Committee and Nomination and Remuneration Committee.



Mr. Milin Mehta
Independent Director



Mr. Milin Mehta is a Law Graduate and Chartered Accountant by profession. He has over three decades of experience in the areas ranging from accounting, tax, valuations, strategies, governance and law. He cherishes arguing in complex tax litigations and has to his credit several reported decisions, some of which are pathbreaking. He was invited by the Finance Ministry, Government of India, through CBDT to be member of the committee appointed for formulation of ICDS as well as MAT Computation under Ind-AS scenario. Mr. Milin Mehta actively participates in the activities of the Institute of Chartered Accountants of India. Being a prolific speaker he has delivered talks in seminars and conferences held at national level which also facilitated him to develop an excellent network amongst the professionals. Further, he also serves as an Independent Director across various listed and unlisted companies and also chairs their audit committees. He is a Chairman of Audit Committee and a Member of Risk Management Committee, Independent Directors Committee, Information Technology Committee and Cyber Security Committee.



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 13 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 Risk Management Committee, Corporate Social Responsibility (CSR) Committee, Finance Committee and Environmental, Social Responsibility (ESG) Committee.

- Audit Committee
- Risk Management Committee
- Nomination and Remuneration Committee
- Corporate Social Responsibility Committee
- Finance Committee
- Stakeholder Relationship Committee
- Environmental, Social and Governance (ESG) Committee
- Independent Directors Committee
- Information Technology Committee
- Cyber Security Committee
- M = Member C = Chairman

Awards and Accolades



Masters of Modern Marketing Awards
Multi channel campaign for a financial services enterprise



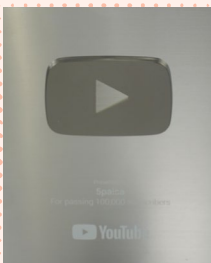
Prime Time Awards 2022 Media
Best Integration of Digital Content with TV



India Content Leadership Awards 2023
Best financial content on social media platform



India Content Leadership Awards 2023
Best Content on Financial Service App



Passing 1 Lakh
Subscribers on YouTube



Passing 1 Million
Subscribers on YouTube



Directors' Report

Dear Shareholder(s),

Your Directors take pleasure in presenting their Seventeenth (17th) Annual Report on the business and operations of your Company ("**5paisa Capital**", "**Your Company**", "**We**") along with the Audited Financial Statements for the Financial Year ended March 31, 2024 ("**year under review**" or "**year**" or "**FY 2023-24**"). The consolidated performance of your Company and its subsidiaries has been referred to wherever required.

In compliance with the applicable provisions of the Companies Act, 2013 ("**the Act**") (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force and the Securities and Exchange Board of India (Listing Obligations

and Disclosure Requirements) Regulation, 2015 ("**the Listing Regulations**"), this report covers the financial performance and other developments during the Financial Year 2023-24 and upto the date of the Board Meeting held on July 12, 2024 to approve this report in respect of 5paisa Capital Limited on a standalone basis as well as on a consolidated basis comprising of 5paisa Capital Limited and its Subsidiaries.

FINANCIAL HIGHLIGHTS:

Your Company's Standalone and Consolidated financial performance during Financial Year 2023-24, as compared with that of the previous Financial Year 2022-23 is summarized below:

(₹ In Millions)

Particulars	Consolidated		Standalone	
	FY 2023-24	FY 2022-23	FY 2023-24	FY 2022-23
Gross total income	3,947.36	3,393.68	3,945.58	3,381.47
Profit/(Loss) before interest, depreciation and taxation	1102.27	875.16	1067.06	864.29
Interest and financial charges	285.68	206.34	285.68	206.34
Depreciation	95.33	87.94	94.71	80.40
Profit/(Loss) before tax	721.26	580.89	686.67	577.55
Taxation-Current	195.28	83.18	195.28	82.91
– Deferred	(18.43)	62.05	(27.14)	61.67
– Short or excess provision for income tax	–	–	–	–
Net profit/(Loss) for the year	544.41	435.67	518.53	432.97
Less: Appropriations	–	–	–	–
Add: Balance brought forward from the previous year	79.77	(355.89)	114.69	(318.28)
Balance to be carried forward	624.18	79.77	633.22	114.69

Note(s):

1. Previous periods' figures have been regrouped/rearranged wherever necessary.
2. Figures in brackets represent deduction(s).

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

CONSOLIDATED FINANCIAL STATEMENTS:

The Consolidated Financial Statements of your Company for the FY 2023-24 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 ("**the Listing Regulations**"). The Consolidated Financial Statements have been prepared on the basis of Audited Financial Statements of the Company

and its subsidiaries, approved by their respective Board of Directors.

Copies of the Balance Sheet, Statement of Profit & Loss, Report of the Board of Directors and Report of the Auditors of the subsidiary companies are not attached to the accounts of your Company for the financial year 2023-24. Your 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 your 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, your 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: https://storage.googleapis.com/5paisa-prod-storage/files/investor_relations/2021-05/policy-on-determining-material-subsidiary.pdf

REVIEW OF BUSINESS AND OPERATIONS AND STATE OF YOUR COMPANY'S AFFAIRS:

Over the next ten years, there will be major megatrends in the Indian capital markets that will fundamentally alter the financial landscape. The increasing digitisation of financial services is a significant trend, as evidenced by growing retail participation in the markets. Younger generations, in particular, are becoming more financially aware and are entering the stock markets at an early age. Their preference for digital platforms and self-directed investments will influence newer developments in the products and services offered by brokers. The increasing recognition of environmental, social, and governance (ESG) factors will lead to a growing demand for ESG-compliant investment options, driving the industry to offer products that align with sustainable and responsible investing principles.

Higher integration and adoption of technology in financial services, such as AI, blockchain, and robo-advisory services, will further drive efficiency and personalization in the broking industry. Algorithmic trading is expected to grow substantially, as more traders and institutions leverage advanced algorithms and AI to execute trades at high speeds and lower costs. Amidst the rapid pace of these changes, the Indian regulatory environment is also expected to evolve and place greater emphasis on transparency, compliance and investor protection while maintaining the stability and openness of the capital markets. Together, these major trends portend ten years of inclusion, sustainability and innovation in the Indian capital markets.

Your Company has improved its financial performance by offering investors a digital platform with a range of features that enables them to learn more about the financial world, make informed decisions, invest through its mobile application and increase their participation and profits from the financial market. The revenue this year stood at ₹ 395 crore as against ₹339 crore in FY23, an increase of 16% YoY. The Company earned a net profit after tax of ₹54 crore, a growth of 25% on YoY basis. This is due to the Company's dedication to meeting the needs of its esteemed customers, its consistent efforts to build the right teams and culture and its integration of innovation, technology and sustainability at the heart of its operations.

Read more about your company's performance during the year on page 137 of the Annual Report of the company.

Throughout the year, your company concentrated on using technology to improve customer experience, expanded cohort-based personalized service offerings, developed the Algo and API ecosystem and fortified strategic partnerships to drive innovation and market expansion. Consequently, your company has solidified its standing as a major participant in the discount broking market by providing exceptional services and delivering value to all its stakeholders.

MACRO-ECONOMIC OVERVIEW:

Read more about your company's performance during the year on page 137 of Annual Report of the company.

INDUSTRY OVERVIEW:

Read more about your company's performance during the year on page 137 of the Annual Report of the company.

KEY DEVELOPMENTS:

Scheme of Arrangement between IIFL Securities Limited ("Demerged Company") and 5paisa Capital Limited ("Resulting Company") and their respective shareholders and creditors.

The Board of Directors at their meeting held on December 06, 2022 had approved the Scheme of Arrangement between the Company and IIFL Securities Limited and their respective shareholders and creditors which *inter alia* provided for the demerger of the Online Retail Trading Business of IIFL Securities Limited into the Company.

However, considering the substantial change in the business environment and overall impact of change in business environment, the Board of Directors, in the interest of the Company and its Stakeholders, withdrew the proposed scheme by passing a Circular Resolution of Board of Directors of the Company dated January 22, 2024.

RETURN TO INVESTORS (DIVIDEND):

In order to conserve the resources of your Company for future expansion, the Directors have decided not to recommend any dividend on equity shares of your 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

TRANSFER TO GENERAL RESERVE:

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

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 your 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 2023-24, your company had not transferred any shares to 'IEPF' Account.

However, as on the March 31, 2024, ₹ 0.18 million is lying as the unclaimed fractional entitlements in the unpaid fractional shares account.

AWARDS AND RECOGNITION:

During the year under review, your 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:

- India Content Leadership Awards 2023, Inkspell Best Content in a Financial Services App.
- India Content Leadership Awards 2023, Inkspell Best Financial Content on Social Platform(s).
- Masters of Modern Marketing Awards 2023, Inkspell Multi Channel campaign for a Financial Services Enterprise - Special Mention 5paisa.
- MCX Awards 2023
Leading Member - Client Participation

SHARE CAPITAL:

The paid up equity share capital of your Company as on March 31, 2024 was ₹ 31,19,09,730/- divided into 3,11,90,973 Equity Shares of ₹ 10/- each as compared to ₹ 30,63,55,680/- divided into 3,06,35,568 Equity Shares of ₹ 10/- each as on March 31, 2023.

The increase in the share capital was on account of exercise of 5,55,405 ESOPs granted under the 5paisa Capital Limited Employee Stock Option Scheme 2017, by eligible employees, which were converted into equity shares ₹ 10/- each.

EMPLOYEES STOCK OPTION SCHEMES ("ESOS"):

The Employees' Stock Option Schemes enable your Company to hire and retain the best talent for its senior management and key positions. The Nomination and Remuneration Committee of the Board of Directors of your Company, *inter alia*, administers and monitors the Employees' Stock Option Schemes in accordance with the applicable SEBI Regulations.

ESOS of your Company are in line with SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021

("SBESE Regulations"). The Members at their 16th Annual General Meeting held on August 31, 2023 had approved 5paisa Capital Limited Employee Stock Option Scheme 2023 ("5PCL ESOS 2023") pursuant to which, your Company, presently, has three Schemes:

- 1) 5paisa Capital Limited Employee Stock Option Scheme 2017 ("5PCL ESOS 2017") was approved by shareholders *vide* special resolution dated January 25, 2018.
- 2) 5paisa Capital Limited Employee Stock Option Trust Scheme 2017 ("5PCL ESOTS 2017") was approved by shareholders *vide* special resolution dated January 25, 2018.
- 3) 5paisa Capital Limited Employee Stock Option Scheme 2023 ("5PCL ESOS 2023") was approved by shareholders *vide* special resolution dated August 31, 2023.

As per Regulation 14 of "SBESE Regulations", the details of the "ESOS" are disclosed on our corporate website which can be accessed at <https://www.5paisa.com/investor-relations>.

A certificate from the secretarial auditors of the Company stating that the aforesaid schemes have been implemented in accordance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and in accordance with the resolution passed by the members shall be placed at the ensuing Annual General Meeting for inspection by members.

INCREASE IN SIZE OF ESOP POOL:

Pursuant to the recommendation of the Nomination and Remuneration Committee, the Board of Directors at their meeting held on November 10, 2023, approved the increase in size of ESOP Pool for grant of options to eligible employees under the Employee Stock Option Scheme-2017 from 22,00,000 (Twenty-two Lakhs) to 40,00,000 (Forty Lakhs) options convertible into equity shares of ₹ 10/- each of the Company. Further, the members *vide* Special Resolution dated December 22, 2023 passed through Postal Ballot approved the same.

PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN AND SECURITIES PROVIDED UNDER SECTION 186 OF THE COMPANIES ACT, 2013:

Particulars of loans given, investments made, guarantees given and securities provided as covered under the provisions of Section 186 of the Act are set out in the notes to the accompanying financial statements of your Company.

DEPOSITS:

During the year under review, your Company has not accepted any deposits from the public falling under the ambit of Section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014. Therefore, payment on the account of principal or interest amount on deposits from the public does not arise.

SUBSIDIARIES:

- 5paisa P2P Limited**
 5paisa P2P Limited is a wholly owned subsidiary of 5paisa Capital Limited. The company received Certificate of Registration from Reserve Bank of India ("RBI") bearing registration number N-13.02371 to act as NBFC P2P.
- 5paisa Corporate Services Limited (Formerly known as 5paisa Insurance Brokers Limited)**
 5paisa Corporate Services Limited (Formerly known as 5paisa Insurance Brokers Limited) is a wholly owned subsidiary of 5paisa Capital Limited incorporated on October 27, 2018. 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. The Company shall commence its business shortly.
- 5paisa Trading Limited**
 5paisa Trading Limited was incorporated as a public limited company on February 27, 2020 as a wholly owned subsidiary of 5paisa Capital Limited.
- 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 object of carrying out business of IFSC (International Financial Service Centre) Unit and act as intermediary in IFSC. The Company shall commence its operations after receipt of necessary clearances/licenses.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

Management Discussion and Analysis Report for the year under review, as stipulated under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), is presented in a separate section, forming part of the Annual Report.

CORPORATE GOVERNANCE:

Your Company is committed to transparency in all its dealings and places high emphasis on business ethics. It has put in place an effective Corporate Governance system which ensures that provisions of the Act and Listing Regulations are duly complied with, not only in form but also in substance.

A Report on Corporate Governance along with a Certificate from the Statutory Auditors of the Company confirming corporate governance requirements as stipulated under the Listing Regulations forms an integral part of this Annual Report.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT:

Regulation 34 of the Listing Regulations mandates for the top 1000 listed companies to submit Business Responsibility and Sustainability Report with effect from financial year 2022-23. For Business Responsibility and Sustainability Report as stipulated under Regulation 34 of the Listing Regulations, kindly refer to Business Responsibility and Sustainability Report section which forms part of this Annual Report.

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

5paisa actively seeks to adopt best global practices for an effective functioning of the Board and believes in having a truly diverse Board whose wisdom and strength can be leveraged for creating greater stakeholder value, protection of their interests and better corporate governance. Your Company's Board comprises of eminent persons with proven competence and integrity, who bring in vast experience and expertise, strategic guidance and leadership qualities.

1. Composition of Board of Directors:

The composition of the Board of Directors of the Company is in accordance with the provisions of Section 149 of the Act and Regulation 17 of the Listing Regulations, with an appropriate combination of Executive, Non-Executive and Independent Directors.

As on the date of this Boards Report i.e. as on July 12, 2024, your Company's Board of Directors comprises of following Directors:

Name of the Director	DIN	Designation
Dr. Archana Hingorani	00028037	Non – Executive Independent Director and Chairperson
Mr. Narayan Gangadhar	09298665	Managing Director & Chief Executive Officer
Mr. Gourav Munjal	06360031	Whole Time Director & Chief Financial Officer
Mr. Milin Mehta	01297508	Non – Executive Independent Director
Mr. Ravindra Garikipati	00984163	Non – Executive Independent Director
Ms. Nirali Sanghi	00319389	Non – Executive Independent Director

2. Changes in Board Composition:

As a measure of enhanced corporate governance and increased Board effectiveness, the Board, based on the recommendation of the Nomination and Remuneration Committee ("NRC"), appointed Mr. Narayan Gangadhar (DIN: 09298665), incumbent Chief Executive Officer of the Company, as the Managing Director for a term of five years (5) with effect from July 13, 2023.



Mr. Prakarsh Gagdani (DIN: 07376258) stepped down as the Whole Time Director & Chief Business Officer of the Company with effect from closure of business hours of December 31, 2023, to pursue career opportunities outside the organization. The Board places on record its appreciation for the guidance and support provided by Mr. Prakarsh Gagdani during his association with the Company.

There was no change in the composition of the Board of Directors during the year under review, except as stated above.

3. Key developments in the Board Composition pursuant to the conclusion of the financial year:

In order to pursue additional responsibilities as a Strategic Advisor to the IIFL group in their new initiatives towards Artificial Intelligence and Digital Transformation, Mr. Narayan Gangadhar (DIN: 09298665), *vide* his letter dated May 30, 2024 resigned from the post of Managing Director and Chief Executive Officer (CEO) of the Company and the said resignation was accepted by the Board *vide* Circular Resolution dated May 30, 2024. The said resignation shall be effective from the close of business hours of August 28, 2024.

Consequently, he also ceased to be the Member of the Risk Management Committee, Stakeholder Relationship Committee, Corporate Social Responsibility (CSR) Committee, Finance Committee, Environmental, Social and Governance (ESG) Committee, Information Technology (IT) Committee and Cyber Security Committee of the Company.

Further, the Board of Directors, based on the recommendation of Nomination & Remuneration (NRC) Committee, at their meeting held on Friday, July 12, 2024 appointed Mr. Ameya Agnihotri (DIN: 07680132) as Additional Director designated as Whole Time Director of the Company w.e.f. July 13, 2024. The Board has recommended for approval of Members, appointment of Mr. Ameya Agnihotri as Whole-time Director of the Company at the ensuing AGM. Brief profile and other information in this regard forms part of AGM Notice.

4. Retirement by Rotation:

Mr. Gourav Munjal (DIN: 06360031), Whole-time Director & Chief Financial Officer of your Company, retires by rotation at the 17th Annual General Meeting of the Company and being eligible has offered himself for re-appointment. Based on the recommendation of the Nomination and Remuneration Committee, the Board has recommended for approval of Members, re-appointment of Mr. Gourav Munjal as Whole-time Director of the Company at the ensuing AGM. Brief profile and other information in this regard forms part of AGM Notice.

5. Key Managerial Personnel:

Pursuant to the provisions of Section 2(51) and Section 203 of the Companies Act, 2013 and rules made thereunder, the Key Managerial Personnel of your Company as on March 31, 2024 are:

Mr. Narayan Gangadhar : Managing Director & Chief Executive Officer

Mr. Gourav Munjal : Whole-Time Director & Chief Financial Officer

Mrs. Namita Godbole : Company Secretary & Chief Compliance Officer

The Remuneration and other details of the Key Managerial Personnel for the year ended March 31, 2024 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 senior 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 Officer

6. Independent Directors:

The Independent Directors have been familiarized with the Company, their roles, rights and responsibilities in the Company. The details of Familiarization Programmes are available on the website of the Company at https://storage.googleapis.com/5paisa-prod-storage/files/investor_relations/2024-08/Familiarization%20Programme_5paisa%20Capital%20Limited.pdf

The Company has received requisite declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence prescribed under Section 149(6) of the Act read with Rule 5 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) of the SEBI Listing Regulations. The Independent Directors have also confirmed that they are not aware of any circumstance or situation that exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence. This has been noted by the Board of Directors.

In the opinion of the Board, all the Independent Directors satisfy the criteria of independence as defined under the Act, rules framed thereunder and the SEBI Listing Regulations, and that they are independent of the

Management of the Company. In the opinion of the Board, all Independent Directors (including those appointed during the year) possess requisite qualifications, experience, expertise, proficiency and hold high standards of integrity for the purpose of Rule 8(5)(iii) of the Companies (Accounts) Rules, 2014. In terms of the requirements under the SEBI Listing Regulations, the Board has identified list of key skills, expertise and core competencies of the Board, including the Independent Directors, details of which are provided as part of the Corporate Governance Report.

As required under Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, all the Independent Directors (including those appointed during the year) have registered themselves with the Independent Directors Databank and completed the online proficiency test conducted by the Indian Institute of Corporate Affairs, wherever required.

BOARD MEETINGS:

During the year, Six (6) Board Meetings were convened and held on May 01, 2023, May 24, 2023, July 12, 2023, October 18, 2023, November 10, 2023 & January 11, 2024. The particulars of attendance of the Directors at the said meetings are detailed in the Corporate Governance Report of the Company, which forms part of this Report. The intervening gap between the Meetings was within the period prescribed under the Act and Listing Regulations.

MEETING OF INDEPENDENT DIRECTORS:

The Independent Directors of your Company meet atleast once during the year, without the presence of Executive Director or other Non-Independent Directors. These meetings are conducted in an informal and flexible manner to enable the Independent Directors to discuss matters pertaining to, *inter alia*, review of performance of Non-Independent Directors and the Board as a whole, assess the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform its duties. One such meeting was held during the year on March 28, 2024.

COMMITTEES OF THE BOARD:

Your Company has constituted various Board level committees in accordance with the requirements of the Act and the Listing Regulations. Further, the Company being categorized as Qualified Stock Broker (QSB) has also constituted other additional committees as required under the SEBI Circular SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/24 dated February 06, 2023

Following are the Committees constituted by the Board:

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders Relationship Committee

- Finance Committee
- Risk Management Committee
- Corporate Social Responsibility (CSR) Committee
- Environmental, Social and Governance (ESG) Committee
- Independent Directors (ID) Committee
- Information Technology Committee
- Cyber Security Committee

Details of the above Committees along with composition and meetings held during the year under review are provided in the Corporate Governance Report forming part of this Report.

ANNUAL EVALUATION OF BOARD'S PERFORMANCE:

Pursuant to the provisions of the Act read with Rules made thereunder and the Corporate Governance requirements as prescribed under the Listing Regulations, the Board has carried out an annual evaluation of its own performance and that of its Committees and Individual Directors.

The performance of the Board and Individual Directors was evaluated by the Board seeking inputs from all the Directors. The performance of the Committees was evaluated by the Board seeking inputs from the Committee Members. The Nomination and Remuneration Committee reviewed the performance of the Individual Directors. A separate meeting of Independent Directors was held to review the performance of Non-Independent Directors, performance of the Board as a whole and performance of the Executive Directors of the Company. Performance of the Board, its Committees and Individual Directors was also discussed during the meeting of the Board of Directors.

The criteria for performance evaluation of the Board included aspects like Board composition and structure, effectiveness of Board processes, information and functioning etc. The criteria for performance evaluation of Committees of the Board included aspects like composition of Committees, effectiveness of Committee meetings etc. The criteria for performance evaluation of the Individual Directors included aspects on contribution to the Board and Committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings etc.

The evaluation process endorsed the Board Members confidence in the ethical standards of your Company, the cohesiveness that exists amongst the Board Members, the two-way open 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.

RELATED PARTY TRANSACTIONS:

All related party transactions entered into by the Company during the financial year were conducted at an arm's length basis. No material contracts or arrangements with related

parties were entered into during the year under review. Further, there were no transactions for which consent of the Board was required to be taken in terms of Section 188(1) of the Act and accordingly, no disclosure is required in respect of the related party transactions in Form AOC-2 under Section 134(3)(h) of the Act and rules framed thereunder.

During the year, the Audit Committee had granted an omnibus approval for transactions, which were repetitive in nature for one financial year. The Audit Committee on a quarterly basis reviewed all such omnibus approvals. All related party transactions were placed at the meetings of Audit Committee and of the Board of Directors for the necessary review and approval. The statement is supported by a certificate from the Independent Chartered Accountant.

In case of transactions which are unforeseen, the Audit Committee grants an approval to enter into such unforeseen transactions provided that the transaction value does not exceed the limit of 1 crore per transaction in a Financial Year. Your Company has developed and adopted relevant SOPs for the purpose of monitoring and controlling such transactions. Your Company's policy for transactions with the related party which was reviewed by the Audit Committee and approved by the Board, can be accessed at https://storage.googleapis.com/5paisa-prod-storage/files/investor_relations/2022-04/RPT_Policy-Version-2.1-Final%20%282%29_0.pdf

Details of Related Party Transactions are set out in Notes to the Standalone Financial Statements.

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

Pursuant to Regulation 23(9) of the SEBI Listing Regulations, your Company has filed the reports on related party transactions with the Stock Exchanges within statutory timelines.

NOMINATION AND REMUNERATION POLICY:

Your Company has in place Nomination and Remuneration Committee of the Board, which performs the functions as mandated under the Act, the SEBI Listing Regulations and such other functions as prescribed by the Board from time to time. The composition of Nomination and Remuneration Committee, attendance at its meetings and other details have been provided as part of the Corporate Governance Report.

The broad objectives of the Nomination and Remuneration Policy are:

- a) to guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management;
- b) to evaluate the performance of the members of the Board;

- c) to recommend to the Board on remuneration payable to the Directors, Key Managerial Personnel and Senior Management.

The guiding principles of the Nomination and Remuneration Policy are to ensure that:

- a) Level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run your Company successfully;
- b) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- c) 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 your Company and its goals and ensure that the policy is disclosed in the Board's report.

In accordance with the Nomination and Remuneration Policy, the Nomination and Remuneration Committee formulates the criteria for appointment as a Director, Key Managerial Personnel and Senior Management, identifies persons who are qualified to be Directors and nominates candidates for Directorships subject to the approval of Board, evaluates the performance of the Individual Directors, recommends to the Board, remuneration to Managing Director/Whole-time Directors, ensures that the remuneration to Key Managerial Personnel, Senior Management and other employees is based on Company's overall philosophy and guidelines and is based on industry standards, linked to performance of the self and the Company and is a balance of fixed pay and variable pay and recommends to the Board, sitting fees/commission to the Non-Executive Directors.

The remuneration has been paid as per the Nomination and Remuneration Policy of the Company. The Nomination and Remuneration Policy is available on the website of the Company at https://storage.googleapis.com/5paisa-prod-storage/files/investor_relations/2021-04/nomination-and-remuneration-policy.pdf

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 134(3)(c) and 134(5) of the Companies Act, 2013, the Directors of your Company, to the best of their knowledge and based on the information and explanations received from the Company confirm that:

- a) In the preparation of the annual financial statements for the financial year ended March 31, 2024, the applicable accounting standards have been followed and there are no material departures from the same.
- b) The Directors 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 your Company as at March 31, 2024 and of the profit of your Company for the said period;

- c) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The annual accounts have been prepared on a 'going concern' basis.
- e) Proper internal financial controls to be followed by the Company were laid down and such internal financial controls are adequate and were operating effectively; and
- f) Proper systems to ensure compliance with the provisions of all applicable laws were devised and that such systems were adequate and operating effectively.

STATUTORY AUDITORS:

As per Section 139 of the Companies Act, 2013, read with Companies (Audit and Auditors) Rules, 2014, the members of your 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 your Company for a term of five consecutive years i.e. from the conclusion of 15th AGM till the conclusion of 20th AGM of your Company.

MAINTENANCE OF COST RECORDS:

The maintenance of cost records, for the services rendered by your 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.

SECRETARIAL AUDITORS:

Pursuant to the provisions of Section 204 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with Regulation 24A of the Listing Regulations, the Board of Directors of the Company had appointed M/s. Nilesh Shah & Associates, Company Secretaries in whole-time practice, Mumbai, to conduct Secretarial Audit of your Company for the Financial Year 2023-24.

The Secretarial Auditor, M/s. Nilesh Shah & Associates, conducted the Secretarial Audit of the Company for the Financial Year 2023-24. Observations made by the said auditor are mentioned in detail in the Secretarial Audit Report, issued in prescribed Form MR-3 which is annexed to this report ("**Annexure-II**") and is self-explanatory. During the year under review, the Secretarial Auditor has not reported any fraud under Section 143(12) of the Act and therefore disclosure of details under Section 134(3)(ca) of the Act is not applicable.

INTERNAL CONTROL SYSTEMS:

a) 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 efficiency 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.

b) Internal Financial Control Systems and its adequacy

Your 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 your 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 your Company's internal financial controls were adequate and effective during FY 2023-24.

RISK MANAGEMENT:

For your Company, Risk Management is an integral and important aspect of Corporate Governance. Your Company believes that a robust Risk Management Framework ensures adequate controls and monitoring mechanisms for smooth and efficient running of the business. A risk-aware organization is better equipped to maximize shareholder value.

The key cornerstones of your Company's Risk Management Framework are:

- A well-defined risk management policy;
- Periodic assessment and prioritization of risks that affect the business of your Company;
- Development and deployment of risk mitigation plans to reduce vulnerability to prioritized risks;
- Focus on both the results and efforts required to mitigate the risks;
- Defined review and monitoring mechanism wherein the functional teams, the top management, the Risk Management Committee, Audit Committee and the Board review the progress of the mitigation plans;
- Integration of Risk Management with strategic business plan, annual operating plans, performance management system and significant business decisions;
- Constant scanning of external environment for new and emerging risks;
- Wherever applicable and feasible, defining the risk appetite and implementing adequate internal controls to ensure that the limits are adhered to.

Your company has constituted a Risk Management Committee (RMC) chaired by an Independent Director and has also formulated a Risk Management Policy to identify risks and mitigate their adverse impact on business which is reviewed by the Risk Management Committee from time to time.

Risk Management Committee assists the Board in monitoring and overseeing the implementation of the Risk Management Policy, including evaluating the adequacy of Risk Management Systems and such other functions as mandated under the SEBI Listing Regulations and as the Board may deem fit from time to time.

The business risks and its mitigation has been reported in detail in the Management Discussion and Analysis Section forming part of this Annual Report.

WHISTLE BLOWER POLICY/VIGIL MECHANISM:

Over the years, your Company has established a reputation for doing business with integrity and displays zero tolerance for any form of unethical behaviour. To create enduring value for all stakeholders and ensure the highest level of honesty, integrity and ethical behaviour in all its operations, your Company has implemented Vigil Mechanism in the form of Whistle Blower Policy for Directors and Employees to report their genuine concerns about misconduct and actual/potential violations, if any, to the Whistle Officer of the Company.

Pursuant to Section 177 of the Act read with the Rules prescribed thereunder and Regulation 22 of the Listing Regulations, the Whistle Blower Policy provides for adequate safeguards against victimisation of persons who use the Vigil Mechanism. In terms of the Policy of the Company, no

employee of the Company has been denied direct access to the Chairman of the Audit Committee of the Board.

The Whistle Blower Policy can be accessed on the website of the Company 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.

Protected disclosures can be made by a whistle-blower through several channels to report actual or suspected frauds and violation of the Company's Code of Conduct. However, during the year under review, no protected disclosure concerning any reportable matter in accordance with the Policy of the Company was received by the Company.

GOING CONCERN STATUS:

During the year under review, no significant or material orders were passed by the Regulators or Courts or Tribunals which may impact the going concern status and Company's operations in future.

However, MCX *vide* its email dated March 14, 2024 ("**Order**") imposed a restriction on your Company with regard to onboarding of new clients across all segments with immediate effect. It was further intimated that the said restrain shall continue till the Company submits a complete Root Cause Analysis ("**RCA**") along with documentary evidence or for a period of 15 days, whichever is higher. Basis the action taken by MCX, NSE and BSE also imposed a similar restriction on your Company *vide* its email dated March 14, 2024.

Being aggrieved by the Order, the same was immediately challenged by your Company before the Hon'ble Bombay High Court by filing a writ petition. Thereafter, your Company was given an opportunity of being heard on March 27, 2024 wherein your Company had offered a detailed representation along with the Root Cause Analysis ("**RCA**") and Action taken to ensure non-recurrence of the said issues in future. Despite the same, the Member and Core Settlement Guarantee Fund Committee (MCSGFC) of the MCX passed an order *vide* its letter dated July 01, 2024 levied a monetary penalty of ₹ 2,59,75,000/- (plus applicable GST) on your company and further, a non-monetary penalty of restricting on-boarding of new clients for a period of Fourteen (14) days from the date of receipt of the order.

Aggrieved by the said order, your company had filed an appeal against the said order before Hon'ble Securities Appellate Tribunal ("**SAT**"). SAT passed an order on July 05, 2024, granting a stay on the operation of the Impugned order of MCX subject to deposit of 50% of the penalty amount i.e. ₹ 1,30,00,000/- (Rupees One Crore Thirty Lakhs Only) within one

week with MCX. Your Company promptly deposited the said amount with MCX and the restriction, so imposed was revoked across Exchanges.

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.

PARTICULARS OF EMPLOYEES:

Disclosures with respect to the remuneration of Directors, Key Managerial Personnel and employees as required under Section 197 of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given in **"Annexure-IV"** to this Report. Details of employee remuneration as required under provisions of Section 197 of the Act read with Rule 5(2) & 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 also form part of this Report. However, as per the provisions of Section 136 of the Act the report and the Audited Standalone and Consolidated Financial Statements along with the Auditors' Report thereon are being sent to the Members and others entitled thereto, excluding the said information. If any Member is interested in obtaining a copy thereof, such Member may write to the Company Secretary in this regard.

DISCLOSURE ON SEXUAL HARASSMENT OF WOMAN AT WORKPLACE:

Your Company recognizes its responsibility to provide equal opportunities and further it is committed to create a healthy working environment that enables all the employees to work with equality and without fear of discrimination, prejudice, gender bias or any form of harassment at workplace.

To ensure this, your Company has in place, a gender-neutral policy on prevention of sexual harassment at the workplace and a framework for employees to report sexual harassment cases at the workplace where its process ensures complete anonymity and confidentiality of information. The vigil mechanism of the Company provides for adequate safeguards against victimization of Directors, employees and third parties who avail of the mechanism and provides for direct access to the Chairman of the Audit Committee in exceptional cases.

All new employees go through a detailed personal orientation on anti-sexual harassment policy. Additionally, separate trainings (classroom/online) on Anti-Sexual Harassment Policy are conducted to educate the employees on said policy/rules.

In compliance with the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and rules made thereunder, your Company has constituted Internal Complaints Committee to deal with

complaints relating to sexual harassment at workplace. Details of complaint on sexual harassment are as under:

- Number of Complaints received during the year: NIL
- Number of Complaints disposed off during the year: NIL
- Number of cases pending more than 90 days: NIL
- Nature of action taken by employer or district officer: Not Applicable

The Whistle Blower Policy can be accessed on the website of the Company at https://storage.googleapis.com/5paisa-prod-storage/files/investor_relations/2021-05/whistle-blower-policy.pdf. During the year under review, no protected disclosure from any Whistle Blower was received by the Whistle Officer.

CORPORATE SOCIAL RESPONSIBILITY:

Your Company has been at the forefront in helping the Community through impactful CSR projects that have addressed critical issues of our time. CSR for a business includes being responsible for its business processes and products, and engaging in accountable relationships with its employees, customers, and the community. Your Company has built its reputation as a good corporate citizen by not only doing good business, but also by driving positive change in society. For your Company, CSR is not only about adhering to statutory and legal compliances but also creating social and environmental value for its stakeholders thus contributing to build an equal and future-ready nation.

During the year, your Company has spent ₹ 67,20,000/- on CSR activities. The Annual Report on CSR activities is annexed as **"Annexure-V"** to this report.

ENVIRONMENT, HEALTH AND SAFETY:

Your Company prioritises protecting, promoting, and enhancing employees wellbeing. Your Company recognises healthy and safe working conditions as a human right and adheres to all local and national health and safety regulations.

Given the nature of business, your Company does not undertake any manufacturing activity. 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.

Your Company is sensitive about the health and safety of its employees and has been achieving continuous improvement in safety performance through a combination of systems and processes as well as co-operation and support of all employees.

INDUSTRIAL RELATIONS:

The Company maintained healthy, cordial and harmonious industrial relations at all levels during the year. The Board

acknowledges the contribution of the employees and all other stakeholders towards meeting the objectives of the Company.

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 your Company is available on your company's corporate website at <https://www.5paisa.com/investor-relations>.

CONFIRMATIONS:

1. There has been no change in the nature of business of your Company during the Financial Year 2023-24.
2. The notes on the financial statement referred in the Auditor's Report are self-explanatory and do not call for any further comments. The Auditor's Report does not contain any qualification, reservation, adverse remark or disclaimer for the Financial Year 2023-24.
3. There have been no instances of frauds reported by the Auditors under Section 143(12) of the Act and the Rules framed thereunder, either to the Company or to the Central Government.
4. Your Company is fully compliant with the applicable Secretarial Standards (SS) issued by Institute of Company Secretaries of India viz. SS-1 & SS-2 on Meetings of the Board of Directors and General Meetings respectively.
5. There was no instance of one-time settlement of loan obtained from the Banks or Financial Institutions.
6. No Significant or material orders passed against your Company by the Regulators or Courts or Tribunals during the year ended March 31, 2024 which would impact the going concern status of your Company and its future operations except that MCX *vide* its letter dated March 14, 2024, restricted the Company from onboarding new clients until the Company submitted a Root Cause Analysis (RCA) or for a period of 15 days. NSE and BSE imposed similar restrictions.

Being aggrieved by the Order, the same was immediately challenged by your Company before the Hon'ble Bombay High Court and submitted the RCA on March 27, 2024. Despite the same, MCX imposed a penalty amounting to ₹ 2,59,75,000/- and extended the restriction of onboarding of new clients for 14 days from the date of receipt of the order.

Aggrieved by the said order, your Company appealed to the Hon'ble Securities Appellate Tribunal (SAT), which stayed the MCX order on July 5, 2024, subject to deposit of 50% of the penalty amount i.e. ₹ 1,30,00,000/-. The Company complied, and the restrictions were lifted across Exchanges.

GENERAL:

The Directors states that there being no transactions with respect to the following items during the financial year 2023-24, 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. Buyback of shares.
3. Receipt of any remuneration or commission by the Director(s) of your Company from any of its subsidiaries.
4. Material changes and commitments affecting the financial position of your 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.
5. Application or proceedings made under the Insolvency and Bankruptcy Code, 2016.

CAUTIONARY STATEMENT:

Statements in the Annual Report, including those which relate to Management Discussion and Analysis, describing your Company's objectives, projections, estimates and expectations, may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Although the expectations are based on reasonable assumptions, the actual results might differ.

APPRECIATION:

Your directors place on record their sincere appreciation for the assistance and guidance provided by the Government, Regulators, Stock Exchanges, Depositories, other statutory bodies and your Company's Bankers for the assistance, co-operation and encouragement extended to your Company.

Your 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. The employees of your Company 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. Your Directors look forward to your continuing support.

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

Narayan Gangadhar
 Managing Director
 & Chief Executive Officer
 DIN: 09298665

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

Date: July 12, 2024
 Place: Thane

Form AOC-1

**(Pursuant to first proviso to sub-section (3) of section 129 of the Companies Act, 2013
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

(₹ In Millions, except as stated otherwise)

Sr. No.	Particulars	Details			
1.	Name of the subsidiary	5paisa P2P Limited	5paisa Corporate Services Limited (Formerly known as 5paisa Insurance Brokers Limited)	5paisa Trading Limited	5paisa International Securities (IFSC) Limited
2.	Date of acquisition	–	–	–	–
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	April 01, 2023 to March 31, 2024	April 01, 2023 to March 31, 2024	April 01, 2023 to March 31, 2024	April 01, 2023 to March 31, 2024
4.	Reporting currency	INR	INR	INR	INR
5.	Exchange Rate on the last day of the Financial Year (in case of foreign subsidiaries)	NA	NA	NA	NA
6.	Average Exchange Rate during the Financial Year (in case of foreign subsidiaries)	NA	NA	NA	NA
7.	Share capital	72.50	0.50	0.50	5.00
8.	Reserves & surplus	(35.07)	(0.19)	0.38	(0.59)
9.	Total Assets	50.84	0.35	1.51	4.47
10.	Total Liabilities	13.41	0.04	0.63	0.06
11.	Investments	18.67	–	1.03	0.06
12.	Turnover	1.59	–	0.14	0.11
13.	Profit/(loss) before taxation	0.75	(0.03)	(0.49)	(0.70)
14.	Provision for taxation-Deferred tax	0.19	(0.01)	(0.12)	(0.18)
15.	Profit/(loss) after taxation	0.56	(0.02)	(0.37)	(0.52)
16.	Proposed Dividend	–	–	–	–
17.	% 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**

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

(₹ In Millions, except as stated otherwise)

Sr. No.	Name of Associates/Joint Ventures	Details
1.	Latest audited Balance Sheet Date	
2.	Number of Shares of Associate/Joint Ventures held by the Holding Company on the year end	
	I. Total Number of Shares	
	II. Amount of Investment in Associates/Joint Venture	
	III. 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	
	IV. Considered in Consolidation	
	V. 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

Narayan Gangadhar
 Managing Director & Chief Executive Officer
 DIN: 09298665

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

Namita Godbole
 Company Secretary & Chief Compliance Officer
 Date: July 12, 2024
 Place: Thane

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2024

[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,
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,

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good Corporate Governance practice by **5paisa 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 as applicable 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, 2024**, 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, 2024 according to the provisions of:

- (i) The Companies Act, 2013 and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

(iv) 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 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 review, the Company has complied with the provisions of the above-mentioned Acts 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, save and except the following:

1. It was noticed that the Company has filed revised Shareholding Pattern u/r 31 of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 for the quarter ended 30th September, 2023 in delay as the original report which was in which the name of one of the promoter entity was not captured correctly. However, the original Shareholding Pattern was filed well within the prescribed timelines.
2. It is observed that the Company has violated the provisions under Schedule II, Regulation 9(C)(4), Code of Conduct for Stock Brokers under SEBI (Stock Brokers) Regulations, 1992, for release of advertisement not in conformity with the Exchange guidelines and the Monetary Penalty for the same has been levied of ₹ 2,00,000/-.

3. Based on our examination it was noticed that an Advisory was issued to the Company pursuant to SEBI Circular MIRSD/Cir-26/2011 dated December 23, 2011 and MIRSD/Cir5/2012 dated April 13, 2013 to comply for not uploading the KYC information with the SEBI registered KRA's for all the Clients on a continuous basis within the prescribed time limit.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors during the year under review 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.

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

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

Date: 24.04.2024
 Place: Mumbai
 UDIN: F004554F000232201

'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: 24.04.2024
Place: Mumbai
UDIN: F004554F000232201

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

ANNEXURE – III

Information relating to conservation of energy, technology absorption and innovation and foreign exchange earnings/outgo forming part of the Directors' Report in terms 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, Your Company is taking all possible measures to conserve energy. Several environment friendly measures were adopted by your 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;
- Shutting off all the lights when not in use and
- Education and awareness programs for employees for ensuring effective utilisation of resources.

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-2024.
Driving Experience:

Last year 5paisa observed significant enhancements and additions in the trading journey. We introduced smart strategies and scalping marking our entry footsteps in the algo offerings to retail clients. Also, we streamlined the UI/UX

for all the 5paisa platforms and also did multiple infrastructure upgrades to make our service offerings more robust and reliable.

Driving Engagement:

Over the past year we have been able to customise our interactions with customers through smart journeys created that facilitate customers with the right information at the right time to provide them a smooth investing experience on the app. This gives users an almost tailor-made experience that helps them get the right support when they need it most. With instructional communications, videos and gifs served at the right time we have been able to assist customers through processes that are new to them.

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 addition of features and products. Our enhanced new native account opening journey and our launch of the subscription products among several other functionalities have help us significantly to achieve this growth. The subscription plans have bundled several useful research features and benefits in charges into highly lucrative monthly and yearly plans.

Driving Efficiencies:

The upsurge in customer acquisitions and transaction volumes turned our attention to several internal processes that had potential for automation. We have spent a considerable effort in getting our internal processes streamlined to increase efficiencies and reduce overheads across multiple areas.

Driving Transformation:

We have been working towards driving a fully mobile workforce that can operate remotely and assist our customers in processes like account opening and customers' support. A good part of this has also gone towards building apps to support employees and partners who can engage with customers and assist them.

FOREIGN EXCHANGE EARNINGS/OUTGO OF THE STANDALONE COMPANY

- a) The foreign exchange earnings: NIL
- b) The foreign exchange expenditure: ₹ 51,26,534/-

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	(₹ in Millions)	
	March 31, 2024	March 31, 2023
Capital	NIL	NIL
Revenue	NIL	NIL

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

Narayan Gangadhar
Managing Director & Chief Executive Officer
DIN: 09298665

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

Date: July 12, 2024
Place: Thane

Annexure – IV

Details of Remuneration of Directors, KMP's and Employees

Pursuant to Section 197(12) of the Companies Act, 2013 and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

(₹ in million)

Sr. No.	Particulars	Name of the Director/KMP	Designation	Ratio of the remuneration of each Director to the median remuneration of the employees of the Company	Percentage (%) increase/ (decrease) in remuneration
1.	The Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year and the percentage increase/ (decrease) in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary in the Financial Year 2023-24	Mr. Narayan Gangadhar*	Managing Director and Chief Executive Officer (CEO)	31.49	–
		Mr. Prakarsh Gagdani^	Whole Time Director and Chief Business Officer	23.02	10
		Mr. Gourav Munjal	Whole Time Director and Chief Financial Officer (CFO)	8.20	41
		Dr. Archana Niranjana Hingorani	Non-Executive Independent Director	NA	NA
		Ms. Nirali Sanghi	Non-Executive Independent Director	NA	NA
		Mr. Milin Mehta	Non-Executive Independent Director	NA	NA
		Mr. Ravindra Garikipati	Non-Executive Independent Director	NA	NA
		Mrs. Namita Godbole	Company Secretary and Chief Compliance Officer	8.01	15
		Mr. Yogesh Maroli	Chief Information Security Officer	4.11	10
2.	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 18%. 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.			
3.	The number of permanent employees on the rolls of the Company.	548			
4.	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 the Financial Year 2023-24, there is an average increase of 12% in the remuneration other than managerial personnel and 22% increase in the remuneration of managerial personnel.			
5.	It is hereby affirmed that the remuneration is as per the Remuneration Policy of the Company.				

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.

* Mr. Narayan Gangadhar was appointed as Chief Executive Officer (CEO) w.e.f. May 25, 2023 and Managing Director (MD) w.e.f. July 13, 2023. Consequently, he resigned from the position of MD & CEO *vide* his resignation letter dated May 30, 2024 from the close of the business hours of August 28, 2024.

^ Mr. Prakarsh Gagdani resigned from the position of Whole Time Director and Chief Business Officer from the closure of the business hours of December 31, 2023.

For and on behalf of the Board of Directors

5paisa Capital Limited

Narayan Gangadhar

Managing Director & Chief Executive Officer

DIN: 09298665

Date: July 12, 2024

Place: Thane

Gourav Munjal

Whole-Time Director & Chief Financial Officer

DIN: 06360031

Annual Report on Corporate Social Responsibility (CSR) Activities for the Financial Year 2023-24

1. Brief Outline on CSR Policy of the Company:

Your Company 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, your Company 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.

Your Company 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	2	1**
2.	Dr. Archana Hingorani [^]	Independent Director	Chairperson	2	1**
3.	Ms. Nirali Sanghi [^]	Independent Director	Member	2	1**
4.	Mr. Prakarsh Gagdani*	Whole-time Director & CBO	Member	2	1**
5.	Mr. Narayan Gangadhar [^]	Managing Director & CEO	Member	2	1**
6.	Mr. Gourav Munjal	Whole-time Director & CFO	Member	2	2

* Mr. Milin Mehta stepped down as a Chairman of the Committee w.e.f. July 13, 2023 whereas Mr. Prakarsh Gagdani stepped down as a Member of the Committee w.e.f. December 31, 2023.

[^] Dr. Archana Hingorani was appointed as Chairperson of the Committee whereas Ms. Nirali Sanghi and Mr. Narayan Gangadhar were appointed as Members of the Committee w.e.f. July 13, 2023.

** Chairperson/Chairman/Members were eligible for Only One (1) out of Two (2) meetings of Corporate Social Responsibility Committee held during the Financial Year 2023-24 considering the re-constitution of the Committee during the year under review.

3. Web-link where Composition of CSR Committee, CSR Policy and CSR projects approved by the board are disclosed on the website of your 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 your company as per sub-section (5) of section 135:**

Financial Years	Net Profit (₹)
2022-2023	58,88,20,633
2021-2022	19,67,62,587
2020-2021	22,18,48,837
Total Net Profit for the last 3 (Three) Financial Years	1,00,74,32,057
Average Net Profits of your Company for the last 3 (Three) Financial Years	33,58,10,686

- (b) 2% (Two Percent) of average net profit of your company as per sub-section (5) of Section 135.: ₹ 67,16,214/-
- (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)].: ₹ 67,16,214
7. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project):. ₹ 67,20,000
- (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)].: ₹ 67,20,000
- (e) CSR Amount spent or unspent for the financial year: NIL

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
67,20,000	NA	NA	NA	NA	NA

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

Sr. No.	Particulars	Amount (in ₹)
(i)	2% (Two Percent) of average net profit of your company as per sub-section (5) of section 135	67,16,214
(ii)	Total amount spent for the Financial Year	67,20,000
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	3,786
(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)]	3,786



8. Details of Unspent Corporate Social Responsibility amount for the preceding 3 (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 2% (Two Percent) of the average net profit as per sub-section (5) of section 135: Your Company has spent more than what is prescribed under the CSR regulation. Hence, not applicable.

For and on behalf of the Board of Directors

5paisa Capital Limited

Narayan Gangadhar

Managing Director & Chief Executive Officer

DIN: 09298665

Date: July 12, 2024

Place: Thane

Gourav Munjal

Whole-Time Director & Chief Financial Officer

DIN: 06360031

Business Responsibility and Sustainability Report (BRSR)

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1	Corporate Identity Number (CIN)	L67190MH2007PLC289249
2	Name of the Listed Entity	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	Financial year for which reporting is being done	April 01, 2023 – March 31, 2024
10	Name of the Stock Exchange(s) where shares are listed	- National Stock Exchange of India Limited (NSE) - BSE Limited
11	Paid-up Capital	₹ 31,19,09,730/-
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Name - Namita Godbole Designation - Company Secretary & Chief Compliance Officer Email ID- csteam@5paisa.com Telephone- 022 41035000
13	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements taken together)	The disclosures under this report are made on Standalone Basis, unless otherwise specified elsewhere in the report.
14	Name of assurance provider	The Company will undertake the assurance of the BRSR in the year of applicability.
15	Type of assurance obtained	Not Applicable

II. Products/services

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

Sr. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Broking and Financial Services	- Stock Broking, - Financial Advisory, - Brokerage, & - Consultancy Services	100%

17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

Sr. No.	Product/Service	NIC Code	% of total Turnover contributed
1	Stock Broking	66120	99.99%
2	Fund Based Activities & Distribution	66190	0.01%

III. Operations

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

Location	Number of plants*	Number of offices	Total
National	Not Applicable	1	1
International	Not Applicable	-	-

*The Company specializes in providing financial services and does not undertake any manufacturing activities.

Business Responsibility and Sustainability Report (BRSR) (Contd.)

19. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	PAN India (28 States & 8 Union Territories)
International (No. of Countries)	-

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

It is a financial services Company and there is no export of financial services. Therefore, there is no contribution from exports to its turnover.

c. A brief on types of customers

The Company is a prominent broking and financial services entity known for its role as an online brokerage firm.

Specializing in providing cost-effective brokerage services, the Company caters to a diverse array of customers within the financial markets. Its clientele includes Young Investors, Non Resident Individuals, Self-employed Professionals, HUF's, Corporates, High Net Worth Individuals (HNI's) and Ultra HNI's who trade in stocks, commodities, mutual funds, bonds etc. through its online platforms.

Moreover, the Company attracts long-term investors looking to build portfolios and access to a wide range of investment options.

Company is supported by robust research credentials and exceptional execution capabilities. Thus, customers rely on the Company to expertly manage their finances through its range of financial products and services, catering to various investment needs and trading preferences.

IV. Employees

20. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES						
1.	Permanent (D)	548	369	67.34%	179	32.66%
2.	Other than Permanent (E)	330	168	50.91%	162	49.09%
3.	Total employees (D + E)	878	537	61.16%	341	38.84%
WORKERS*						
4.	Permanent (F)	NA	NA	NA	NA	NA
5.	Other than Permanent (G)	NA	NA	NA	NA	NA
6.	Total workers (F + G)	NA	NA	NA	NA	NA

*Being a stock broker, providing financial services, the Company does not have any workers employed at its office.

b. Differently abled Employees and workers:

Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	0	0	0	0	0
2.	Other than Permanent (E)	0	0	0	0	0
3.	Total employees (D + E)	0	0	0	0	0
DIFFERENTLY ABLED WORKERS*						
4.	Permanent (F)	NA	NA	NA	NA	NA
5.	Other than Permanent (G)	NA	NA	NA	NA	NA
6.	Total workers (F + G)	NA	NA	NA	NA	NA

*Being a stock broker, providing financial services, the Company does not have any workers employed at its office.

Business Responsibility and Sustainability Report (BRSR) (Contd.)
21. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors (including Independent Directors)*	6	2	33.33%
Key Management Personnel**	4	1	25.00%

* The Company has appointed 2 (Two) Non-Executive Independent Woman Directors, one of whom, currently serves as a Chairperson of the Board.

**The 4 Key Management Personnel includes the Managing Director (also serving as the Chief Executive Officer) and the Whole Time Director (also serving as the Chief Financial Officer), both are part of the Board of Directors; the Company Secretary & Chief Compliance Officer and the Chief Information Security Officer.

22. Turnover rate for permanent employees and workers

	FY 2023-24 Current FY			FY 2022-23 Previous FY			FY 2021-22 Year prior to the Previous FY		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	35%	50%	40%	57%	72%	63%	61%	82%	70%
Permanent Workers*	NA	NA	NA	NA	NA	NA	NA	NA	NA

*Being a stock broker, providing financial services, the Company does not have any workers employed at its office.

V. Holding, Subsidiary and Associate Companies (including joint ventures)
23. (a) Names of holding / subsidiary / associate companies / joint venture

Sr. No.	Name of the holding/ subsidiary/ associate companies/ joint ventures	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated in column A, participate in the Business Responsibility, Initiatives of the listed entity? (Yes/No)
1	5paisa P2P Limited	Wholly owned Subsidiary	100%	No
2	5paisa Corporate Services Limited (Formerly 5paisa Insurance Brokers Limited)	Wholly owned Subsidiary	100%	No
3	5paisa Trading Limited	Wholly owned Subsidiary	100%	No
4	5paisa International Securities Limited (IFSC)	Wholly owned Subsidiary	100%	No

VI. CSR Details
24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013:

Yes

(ii) Turnover (in ₹)

₹ 39,453 Lakhs

(iii) Net worth (in ₹)

₹ 54,081 Lakhs

Business Responsibility and Sustainability Report (BRSR) (Contd.)
VII. Transparency and Disclosures Compliances
25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If yes, then provide web-link for grievance redress policy)	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remark	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remark
Communities	Yes. The Company collaborates with the community through CSR projects, overseen by a dedicated CSR committee that ensures project success and facilitates community feedback in-person during the CSR activity or via Company's "Contact us" page: https://www.5paisa.com/contact-us	NIL	NIL	Not Applicable	NIL	NIL	Not Applicable
Shareholder and Investors	Yes. Investors and shareholders have dedicated contact details available on the Company's website for raising their concerns: https://www.5paisa.com/investor-relations/grievance-redressal-information Further the Grievance Redressal policy can be requested by sending an email to csteam@5paisa.com	NIL	NIL	Not Applicable	NIL	NIL	Not Applicable
Employees	Yes. The Company has implemented a whistleblower policy that allows employees to confidentially report any concerns they may have regarding misconduct, ethical violations or other issues within the Company. https://storage.googleapis.com/5paisa-prod-storage/files/investor_relations/2021-05/whistle-blower-policy.pdf	NIL	NIL	Not Applicable	NIL	NIL	Not Applicable
Customers	Yes. The Company has an internal customer care policy where customers can report grievances through support@5paisa.com and grievance@5paisa.com Further the Grievance Redressal policy can be requested by sending an email to csteam@5paisa.com	1359	NIL	All Complaints Resolved during the FY 23-24	1256	NIL	All Complaints Resolved during the FY 22-23
Value Chain Partners	Yes. Value Chain Partners can report their concerns through the contact details provided on the Company's Contact Us page: https://www.5paisa.com/contact-us Further the Grievance Redressal policy can be requested by sending an email to csteam@5paisa.com	NIL	NIL	Not Applicable	NIL	NIL	Not Applicable
Other (please specify)	-	-	-	-	-	-	-

Business Responsibility and Sustainability Report (BRSR) (Contd.)
26. Overview of the entity's material responsible business conduct issues

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:

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Data and Customer Privacy	Risk and Opportunity	<p>Risk explained: Protection and security of every customer information in possession of the Company is utmost crucial to avoid data leakage or subsequent misuse.</p> <p>Being a technology driven Company, it relies heavily on its technology infrastructure. As most of the transactions are processed digitally, it increases the chances of cyber threats / information security risks.</p> <p>Opportunity explained: Building a high-performance, state of the art digital infrastructure allows us to deliver lasting value to our customers and secure a competitive edge.</p>	<p>The 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.</p> <p>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.</p> <p>The Company has 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.</p>	<p>Positive:</p> <ul style="list-style-type: none"> Streamlined multiple manual processes, resulting in significant cost savings Enhanced trust and credibility among all stakeholders, driving improved business performance Bolstered brand reputation and image <p>Negative:</p> <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 and Opportunity	<p>Risk explained: Customer acquisition and retention is directly dependent on transparent, comprehensive and clear communication and branding of the products and services.</p> <p>Opportunity explained: Delivering products and services that are relevant, tailored to customer needs and of superior quality is essential for the long term success of our business.</p>	<p>The Company ensures that all its marketing initiatives and communications strictly adhere to all applicable rules / regulations. It is the constant endeavor of the Company to ensure high level of transparency and clarity in all its marketing campaigns and communications.</p>	<p>Positive:</p> <ul style="list-style-type: none"> Steady growth in new customer acquisition Robust financial performance <p>Negative:</p> <ul style="list-style-type: none"> Challenges in customer retention Unsatisfied customer thereby decreasing customer loyalty

Business Responsibility and Sustainability Report (BRSR) (Contd.)

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
3	Risk management	Risk and Opportunity	<p>Risk explained:</p> <p>Potential failure to identify emerging threats, which could leave the organization vulnerable as well as ineffective mitigation strategies that may not adequately protect against known risks. Additionally, non-compliance with regulations poses significant threats, including legal penalties and damage to the company's reputation.</p> <p>Opportunity explained:</p> <p>By enhancing risk detection and response organizations can strengthen their resilience and safeguard against potential threats. Proactive risk management not only protects the business but also offers a competitive edge, positioning the company as a reliable and forward-thinking leader in its industry.</p>	<p>Spaisa upholds strong risk management practices with an active Risk Management Committee, ensuring the company's readiness and resilience in facing emerging risks while adhering to its Risk Management Policy.</p>	<p>Positive:</p> <ul style="list-style-type: none"> Enhanced Regulatory compliances Stable and predictable business Value creation Supports business continuity <p>Negative:</p> <ul style="list-style-type: none"> Missed emerging risks Outdated frameworks Limited Stakeholder involvement
4	Corporate Governance and Ethics	Risk and Opportunity	<p>Risk explained:</p> <p>Maintaining the highest standards of ethics and corporate governance is necessary to gain the trust of the Company's investors and customers.</p> <p>Any risks can undermine stakeholder trust, damage reputation and disrupt business.</p> <p>Opportunity explained:</p> <p>Extensive use of technology to enhance monitoring and compliance efforts by actively engaging with all the concerned stakeholders and incorporating their feedback into ethical policies and practices thus resulting in detailed and transparent reporting practices.</p>	<p>The Company has instituted various policies and measures to constitute a strong corporate governance frameworks as per regulatory guidelines.</p> <p>It has in place a fair, transparent and accountable corporate governance structure across its 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 the Company's policies so as to ensure that every grievance is taken on priority and redressed effectively.</p>	<p>Positive:</p> <ul style="list-style-type: none"> Refined Governance Framework Improved Financial Performance Support in developing Core Business Strategy and decision making process <p>Negative:</p> <ul style="list-style-type: none"> Reputational risks Image/ perception of the institution Dissatisfied customer
5	Regulatory compliance	Risk and Opportunity	<p>Risk explained:</p> <p>Company operates into a highly regulated environment and further being categorized as a Qualified Stock Broker (QSB) needs to adhere to additional compliances thus increasing the risk of non-compliance.</p> <p>Opportunity explained:</p> <p>Fostering positive relationships with regulated bodies by continuously evaluating and improving compliance practices by further adopting measures to automate and streamline compliance processes, in light of evolving regulations.</p>	<p>The Company ensures 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 the Company.</p>	<p>Positive:</p> <ul style="list-style-type: none"> Alignment of Compliance practices with industry standards Resilient to future regulatory changes Timely Risk Prediction in order to navigate through complex regulatory environments <p>Negative:</p> <ul style="list-style-type: none"> Impacts brand image Potential legal penalties and fines

Business Responsibility and Sustainability Report (BRSR) (Contd.)

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
6	Customer satisfaction	Risk and Opportunity	<p>Risk explained: Catering to a wide variety of customers can lead to lack of understanding of customers needs and preferences thus resulting in decreased customer satisfaction and loyalty.</p> <p>Opportunity explained: Identification and fulfilment of customer needs and expectations is essential for their retention and loyalty thereby contributing to increased revenues. The Company takes constant efforts in enhancing the products and services offered to the clients thereby adding value to their offerings.</p>	Investing organizational resources in customer research, customer surveys and obtaining customer feedback in order to ascertain customer behaviour to gain deeper insights so as to make informed decisions.	<p>Positive:</p> <ul style="list-style-type: none"> • Increase in repeat customer business • Improvement in market share • Better asset quality <p>Negative:</p> <ul style="list-style-type: none"> • Impact on Goodwill • Decline in customer loyalty • Increased complaints and negative feedback
7	Human Resources Initiatives	Risk and Opportunity	<p>Risk explained: Lack of succession planning can result in leadership gaps and operational disruptions.</p> <p>Opportunities explained: Fair recruitment, hiring processes and efforts to build a congenial work environment through structured training / performance appraisal helps in employee retention. The Company takes constant efforts in providing better benefits to its employees which includes monetary as well as non-monetary benefits.</p>	Developing and adopting an effective succession plan for key roles by identifying and grooming potential leaders.	<p>Positive:</p> <ul style="list-style-type: none"> • Better employee retention • Improvement in productivity <p>Negative:</p> <ul style="list-style-type: none"> • High attrition levels • Poor communication causing conflicts
8	Digitalization	Risk and Opportunity	<p>Risk explained: Digitalization can cause temporary disruptions to existing operations and processes. Poorly designed digital interface can lead to user dissatisfaction and low adoption rates.</p> <p>Opportunity explained: Strategic partnerships with fintechs, along with strong in-house digital capabilities have allowed the Company to expand customer base significantly and serve niche segments, because digitalization drives innovation in traditional offerings.</p>	Developing a clear digital transformation strategy with defined goals and budgets by performing cost-benefit analysis in order to ensure financial viability and further focusing on phased rollout, pilot testing and establishing contingency plans to address any issues that may arise during implementation.	<p>Positive:</p> <ul style="list-style-type: none"> • Seamless business operation • Reduced cost • Improved turnover around time <p>Negative:</p> <ul style="list-style-type: none"> • Rapid technological changes • Higher costs

Business Responsibility and Sustainability Report (BRSR) (Contd.)

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
9	Climate change	Risk and Opportunity	<p>Risk explained: Mitigating climate risks provides opportunities for efficiency, innovation and growth; the Company seeks to reduce carbon footprint in its everyday operations. Climate change has emerged as a significant risk for business.</p> <p>Opportunity explained: We are working towards a shift to renewable energy to reduce our carbon footprint.</p>	The 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 the Company's approach of ESG integration to the stakeholders. It continues to identify and act on opportunities to reduce environmental footprint.	<p>Positive:</p> <ul style="list-style-type: none"> Favorable credit ratings Advancing a more sustainable environment <p>Negative</p> <ul style="list-style-type: none"> Significant risks Physical and transition risks
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.	-	<p>Positive:</p> <ul style="list-style-type: none"> Enhanced loyalty and engagement among employees Increase in productivity
11	Resource management	Opportunity	The Company's focus lies on achieving resource efficiency in terms of energy, water, paper and e-waste, since it does not have any other significant environmental impact.	-	<p>Positive:</p> <ul style="list-style-type: none"> Lower cost and higher productivity Better resource utilization
12	Transparency & Disclosures	Opportunity	Transparency and disclosure helps the Company for establishing stakeholder trust, gaining investor confidence and fostering long-term business success.	-	<p>Positive:</p> <ul style="list-style-type: none"> Effective Stakeholder Engagement Policy
13	Community Engagement	Opportunity	The CSR initiatives are aimed at promoting the development of vulnerable and marginalized sectors along with the benefits towards overall development of community.	The Company works closely with NGO partners to facilitate clear communication and address any issues in its CSR initiatives.	<p>Positive:</p> <ul style="list-style-type: none"> CSR Projects Engagements with Marginalized and Vulnerable groups Increased Brand Image Attracts Investment opportunities

Business Responsibility and Sustainability Report (BRSR) (Contd.)
SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	The Company has several policies, including Anti-Corruption Policy, Equal Opportunity Policy, Environment Policy, POSH (Prevention of Sexual Harassment) Policy, Human Rights Policy, Stakeholder Engagement Policy, etc. all of which incorporate the elements of the 9 principles of NGRBC (National Guidelines on Responsible Business Conduct).								
b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	The Board of Directors, various functional committees and senior management has approved all statutory policies required under SEBI's Listing Obligations and Disclosure Requirements (LODR) Regulations, 2015, along with several voluntarily adopted policies.								
c. Web Link of the Policies, if available	All Company policies are accessible via:								
	1. The Company website: https://www.5paisa.com/investor-relations								
	2. The internal portal for internal accessibility								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4. Name of the national and international codes/certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance and Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	The Company is ISO 27001:2013 (Information Security Management System – ISMS) certified								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	Foster Inclusivity & Diversity:								
	1. 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.								
	2. Promote an inclusive workplace culture that embraces diversity in hiring practices, employee development, etc.								
	Implement a Sustainable approach: Integrate sustainable practices into operational processes such as reducing carbon footprint, promoting digital solutions and investing in eco-friendly initiatives.								
	Prioritize Employee Wellbeing: Enhance employee satisfaction and productivity through comprehensive wellness programs, skill-upgradation trainings, mental health support, career development opportunities and work-life balance initiatives.								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	The commitments, goals and targets set by the Company are currently being pursued.								

Governance, leadership and oversight
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)

As a reasonable financial service provider, the Company has adopted comprehensive approach for Environmental, Social and Governance (ESG) considerations. It is committed to integrating ESG considerations into its core business operations. This commitment is reflected in its proactive approach towards sustainability and responsible corporate citizenship.

Business Responsibility and Sustainability Report (BRSR) (Contd.)

In terms of **Environmental Sustainability**, the Company has transitioned to a fully digital onboarding process, significantly reducing paper consumption and environmental impact. It is dedicated to treating e-waste in an environmentally friendly manner and have initiated tree plantation drives across the premises. Additionally, it actively promote water conservation awareness among employees, emphasizing the importance of sustainable practices in its daily operations.

Social Responsibility is a cornerstone of Company’s corporate philosophy. It prioritize employee wellbeing through inclusive workplace policies, comprehensive wellness programs and continuous skill development opportunities. Its commitment to diversity and inclusion extends to its supplier relationships, where the Company enforce fair labor practices and support ethical sourcing initiatives. Furthermore, the Company engages with local communities through various initiatives that aim to create positive social impacts and foster long-term relationships based on mutual respect and trust.

Underpinning the Company’s commitment to ethical conduct is a robust framework of **Corporate Governance**. It upholds stringent governance standards with a well-defined whistle blower policy and a diverse Board of Directors comprising experienced professionals. Adherence to SEBI regulations and transparent communication with stakeholders are integral to Company’s governance practices, ensuring accountability and maintaining stakeholder trust.

Looking forward, the Company remains steadfast in its commitment to advancing ESG principles across all facets of its operations. By integrating sustainability into its strategic planning and decision-making processes, it aims to create enduring value for its stakeholders while contributing positively to the environment and society at large.

8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy(ies).	Mr. Gourav Munjal - Whole Time Director & CFO, holds the responsibility for overseeing sustainability issues and implementing Business Responsibility policies.
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.	The Company has established an executive-level ESG Committee comprising senior management personnel and Independent Directors to oversee the Company’s social, environmental and governance responsibilities. Annually, the Board of Directors evaluates the Company’s business responsibility performance and the Risk Management Committee evaluates internal and external sustainability risks identified during assessments.

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	The policies are subject to regular assessments according to designated intervals or as required by departmental and business heads, senior management and the Board of Directors. However, mandatory annual reviews occur during board meetings to evaluate policy effectiveness and providing suggestions for possible modifications or enhancements, if any.																	
Compliance with statutory requirements of relevance to the principles and rectification of any non-compliances	The Company has implemented procedures to ensure overall compliance with all relevant regulations.																	

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

Business Responsibility and Sustainability Report (BRSR) (Contd.)

12. If 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)	Not Applicable, as the Company has all the relevant policies that aligns with the 9 Principles of NGRBC.								
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)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

Business Responsibility and Sustainability Report (BRSR) (Contd.)

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 programmes on any of the principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	% age of persons in respective category covered by the awareness programmes
Board of Directors	1	The training provided to the Board of Directors focused primarily on leadership aspects. However, the Company aims to include in-depth training and awareness sessions on BRSR aspects.	100%
Key Managerial Personnel	3	The training provided to Key Managerial Personnel covered essential topics such as the Prevention of Sexual Harassment (POSH), managerial effectiveness and thought leadership, equipping them with vital skills for their roles.	99.98%
Employees other than BoD and KMPs	4	The training provided to employees included SQL Training, Managerial Effectiveness, NISM Training and Thought Leadership, in addition to induction programs covering the Company's policies, POSH, human rights and business ethics.	100%
Workers*	NA	NA	NA

*Being a stock broker, providing financial services, the Company does not have any workers employed at its office.

Note:

At 5paisa Capital Limited, we view employee training and development as a continuous and cyclical process. We use a range of communication channels, including emails, posters and other internal methods, to present a variety of relevant training topics. The Company also runs periodic awareness campaigns to keep employees informed about key policies, ensuring adherence to the highest standards of ethical conduct.

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

Monetary				
NGRBC Principle	Name of regulatory/ enforcement agencies/judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/Fine Settlement Compounding Fee	Fines, penalties, etc. was not imposed on the Company or its management during the FY 23-24.			
Non-Monetary				
NGRBC Principle	Name of regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)	
Imprisonment Punishment	Imprisonment, Punishment etc. was not imposed on the Company or its management during the FY 23-24.			

Business Responsibility and Sustainability Report (BRSR) (Contd.)

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

Case Details	Name of the regulatory/enforcement agencies/ judicial institutions
	Not Applicable

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

Yes, the Company has implemented a robust Anti-Bribery and Anti-Corruption Policy aimed at ensuring ethical conduct and adherence to anti-bribery laws. This policy underscores the Company's dedication to conducting business with integrity, fairness and transparency across all facets of its operations. It is designed to prevent bribery, corruption and unlawful payments in both commercial and governmental transactions, aligning with applicable state, federal and international regulations.

The policy applies comprehensively to all employees, vendors, subcontractors and business partners involved in the Company's operations. The purpose of the policy is clearly outlined, setting forth responsibilities for observing and upholding anti-bribery and corruption standards within the Company.

The framework of the policy includes stringent procedures for vetting and monitoring associates, contractors and other representatives to prevent any association with dishonest practices. It places responsibility on all employees to adhere to the policy and mandates reporting of any suspected violations through established channels, including the whistleblower mechanism.

Oversight of the policy's implementation, monitoring and review is entrusted to the ESG Team/Human Resources department. They conduct regular audits to evaluate the policy's effectiveness and engage stakeholders for feedback and alignment with evolving regulatory requirements.

Stakeholders interested in accessing the Anti-Bribery and Anti-Corruption Policy or reporting concerns can contact the Company via email at csteam@5paisa.com.

The above comprehensive approach underscores the Company's commitment to transparency, integrity and proactive compliance in all aspects of its operations, reinforcing its reputation as a responsible Company.

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 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Directors	0	0
KMPs	0	0
Employees	0	0
Workers*	NA	NA

*Being a stock broker, providing financial services, the Company does not have any workers employed at its office.

During both the FY, no disciplinary action has been taken by any law enforcement agency or the charges of bribery/ corruption against any Directors/KMPs/employees.

6. Details of complaints with regard to conflict of interest:

	FY 2023-24 (Current Financial Year)		FY 2022-23 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	NIL	Not Applicable	NIL	Not Applicable
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	NIL	Not Applicable	NIL	Not Applicable

Complaints have not been received in regard to any instances of conflict of interest for Directors or KMPs during both the FY.

Business Responsibility and Sustainability Report (BRSR) (Contd.)

7. 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.

There have been no cases of corruption or conflicts of interest and no fines/penalties have been levied by any regulatory/ law enforcement agencies or judicial institutions during the FY 23-24, so no corrective actions were required.

8. Number of days of accounts payables (Accounts payable*365) / Cost of goods/ services procured):

	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Number of days of accounts payables	Not Applicable	Not Applicable

9. Open-ness of business:

Details of concentration of purchases and sales with trading houses, dealers and related parties along-with loans and advances & investments, with related parties:

Parameter	Metrics	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	The Company, as a financial services provider, does not engage in purchases from trading houses; therefore, this is not applicable.	
	b. Number of trading houses where purchases are made from		
	c. Purchases from top 10 trading houses as % of total purchases from trading houses		
Concentration of Sales	a. Sales to dealers / distributors as % of total sales	The Company, as a financial services provider, does not engage in Sales to dealers/distributors; therefore, this is not applicable.	
	b. Number of dealers / distributors to whom sales are made		
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors		
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	NIL	NIL
	b. Sales (Sales to related parties / Total Sales)	NIL	NIL
	c. Loans & advances (Loans & advances given to related parties / Total Loans & advances)	NIL	NIL
	d. Investments (Investments in related parties / Total investments made)	100%	55.06%

LEADERSHIP INDICATORS

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

In FY24, the Company organized around 30 webinars and 24 Options Conventions focused on enhancing product knowledge and familiarizing partners with various processes. During these sessions, partners were strongly advised against sharing any misleading information with end clients. Additionally, they were reminded of the critical importance of adhering to all compliance regulations, particularly when placing trades on behalf of clients and communicating any product-related information. This emphasis on integrity and compliance underscores the Company's commitment to maintaining high standards of transparency and ethical conduct.

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

Yes, the Company has comprehensive processes in place to effectively manage conflicts of interest involving members of the Board. The Company's Code of Conduct on Conflict of Interest outlines clear guidelines and expectations for situations where an officer's personal interests may conflict with those of the Company.

Business Responsibility and Sustainability Report (BRSR) (Contd.)

For instance, if an officer holds a position as a director, senior managerial person or consultant or has ownership or stake in a competing entity, customer or business associate of the Company, it is considered a conflict of interest. Similarly, if the officer or their relatives or associates are involved or plan to enter into any arrangement, collaboration, venture, agreement or transaction with the Company, disclosure is mandatory.

Under these circumstances, the Company expects officers to:

- Avoid dealings involving conflicts of interest whenever possible.
- Disclose the existence and nature of the conflict to the appropriate authorities:
- Directors are required to disclose to the Board.
- Other officers should disclose to the Chairman and Managing Director.
- Provide all relevant facts regarding the transaction that could influence a decision about whether to proceed.
- Seek approval from the Board or CMD before proceeding with any transaction that involves a conflict of interest.

These measures are designed to ensure transparency, uphold integrity and prevent any decisions that could compromise the Company's best interests. By adhering to these stringent guidelines, the Company mitigates risks associated with conflicts of interest and maintains trust among stakeholders in its governance practices.

The Company's "Code of Conduct" is accessible at:

https://storage.googleapis.com/5paisa-prod-storage/files/investor_relations/2022-04/5paisa-code-of-conduct_0.pdf

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

ESSENTIAL INDICATORS

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

	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)	Details of improvements in environmental and social impacts
R&D	-	-	The Company has not spent on capital investments towards improvements in environmental and social impacts. However, it remains committed to supporting environmental and social initiatives whenever feasible and appropriate.
Capex	-	-	

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

No, 5paisa Capital Limited is engaged in the financial services sector and as such the consumption of resources is limited to running of operations sourcing of inputs is not relevant to our core activities. However, the Company has implemented robust procedures for sustainable sourcing, as outlined in its internal "Sustainable Supply Chain and Responsible Sourcing Policy". This policy ensures that the Company conducts its business in a legal, ethical and socially responsible manner. It also requires suppliers to adhere strictly to sustainability commitments and standards, including compliance with laws, fair labor practices, diversity and inclusion, prohibition of child and forced labor, non-discrimination, health and safety standards and environmental protection.

Breaches of the policy may result in corrective actions, including termination of the supplier relationship. The policy also promotes transparency and accountability through whistle-blowing mechanisms for reporting misconduct.

Suppliers receive orientation on the policy during onboarding and agree to its terms through contractual agreements. The policy reinforces its commitment to sustainable and ethical practices throughout its supply chain.

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

As the Company operates in the broking and financial services sector, sustainable sourcing is currently limited to its operations.

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):**

As a financial services provider, the use of plastic is minimal. However, the Company has initiated efforts to protect the environment by substituting traditional plastic bags with biodegradable alternatives. We use 100% bio-degradable plastic garbage bags to collect and dispose off dry and wet wastes.

Business Responsibility and Sustainability Report (BRSR) (Contd.)

b. E-waste:

The Company adheres to e-waste regulations, ensuring that all electronic waste is collected and disposed of exclusively through authorized scrap collectors and vendors. Accordingly, all scrap electronic assets like Computers, Tablets, Printers, Scanners, Servers, Batteries, etc. are disposed off through such registered scrap collectors and vendors.

c. Hazardous waste:

Considering that the company is involved in providing financial services, therefore this does not apply to the Company.

d. Other waste:

All other waste is collected and properly managed through collaboration with local waste management authorities.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

As the Company is Stock broker, providing financial services, Extended Producer Responsibility (EPR) is not applicable to the Company.

LEADERSHIP INDICATORS

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

NIC Code	Name of Product / Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective/ Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link.
NA	NA	NA	NA	NA	NA

The Company does not engage in manufacturing any products and therefore the above requirement does not apply.

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

Name of Product/ Service	Description of the risk/ concern	Action Taken
NA	NA	NA

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).

Indicate input material	Recycled or re-used input material to total material	
	FY 2023-24	FY 2022-23
	Current Financial Year	Previous Financial Year
NA	NA	NA

The Company does not engage in manufacturing any products and therefore the above requirement does not apply.

4. Details of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled and safely disposed:

	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
	Re-used	Recycled	Safely Disposed	Re-used	Recycled	Safely Disposed
Plastics (including packaging)	NA	NA	NA	NA	NA	NA
E-waste	NA	NA	NA	NA	NA	NA
Hazardous waste	NA	NA	NA	NA	NA	NA
Other waste	NA	NA	NA	NA	NA	NA

The Company does not engage in manufacturing any products and therefore the above requirement does not apply.

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
NA	NA

Business Responsibility and Sustainability Report (BRSR) (Contd.)

The Company does not engage in manufacturing any products and therefore the above requirement does not apply.

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	Total (A)	% of employees covered by									
		Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male	369	369	100%	369	100%	0	0%	369	100%	0	0%
Female	179	179	100%	179	100%	179	100%	0	0%	0	0%
Total	548	548	100%	548	100%	179	33%	369	67%	0	0%
Other than permanent employees											
Male	168	168	100%	168	100%	0	0%	168	100%	0	0%
Female	162	162	100%	162	100%	162	100%	0	0%	0	0%
Total	330	330	100%	330	100%	162	49%	168	51%	0	0%

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

Category	Total (A)	% of workers covered by*									
		Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent workers											
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Other than permanent workers											
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

*Being a stock broker, providing financial services, the Company does not have any workers employed at its office.

Note:

The company believes that the wellbeing of the employees extends beyond the workplace, therefore in addition to providing a safe and supportive work environment, the Company covers an extra mile to ensure the same.

Acknowledging the varied needs of our workforce, particularly women, the Company provides a variety of supportive policies. These encompass maternity leave, adoption leave and compassionate leave for pregnancy-related medical reasons. We recognize the importance of helping women achieve a balance between their professional and personal lives at different stages.

Company promotes a healthy life style thus reflecting the Company's commitment to the overall well-being and development of its employees which contributes to a supportive and inclusive workplace culture.

Business Responsibility and Sustainability Report (BRSR) (Contd.)

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent):

	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Cost incurred on wellbeing measures as a % of total revenue of the Company	0.16%	0.16%

2. Details of retirement benefits, for Current FY and Previous FY

	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers*	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers*	Deducted and deposited with the authority (Y/N/N.A.)
PF	77.7%	NA	Yes	86%	NA	Yes
Gratuity	100%	NA	Yes	100%	NA	Yes
ESI	3.46%	NA	Yes	21%	NA	Yes
Others-Please Specify	-	-	-	-	-	-

*Being a stock broker, providing financial services, the Company does not have any workers employed at its office.

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.

Yes, the Company ensures accessibility for differently abled employees in compliance with the Rights of Persons with Disabilities Act, 2016. Although there are currently no differently abled employees, the premises are equipped with elevators and ramps to facilitate accessibility. Specifically, both ramps and elevators are available for differently abled individuals, contributing to an inclusive environment. Additionally, the office spaces feature voice-enabled lifts, ramps at restroom entrances and appropriate signage, fostering a supportive ecosystem for all individuals.

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.

Yes. The Company has established an Equal Opportunity Policy aimed at cultivating an inclusive and fair workplace environment for all employees, including those with disabilities. This policy ensures that every individual, regardless of race, caste, religion, gender, age, disability or any other characteristic, has equitable access to employment opportunities based solely on their qualifications and abilities.

Central to the policy is the commitment to non-discrimination, prohibiting bias or harassment and fostering a culture of mutual respect among employees. Recruitment and selection processes are rigorously conducted through transparent methods that emphasize merit and job-related criteria, ensuring fair treatment throughout.

Additionally, the policy mandates the provision of reasonable accommodations to enable employees with disabilities to perform their duties effectively, without imposing undue burden on the Company. Regular training sessions are conducted to raise awareness about diversity and inclusion, reinforcing the Company's dedication to equal opportunities.

An effective grievance mechanism is also in place to promptly address any discrimination complaints, maintaining confidentiality and support for employees. Dedicated Monitoring Officers oversee policy implementation across all Company offices, ensuring compliance and reporting any issues to appropriate authorities. The policy's accessibility is ensured through internal portal and new-hire induction programs, with regular reviews and updates managed by the ESG or HR teams in collaboration with the Board of Directors.

Overall, the Equal Opportunity Policy reflects the Company's commitment to fostering a supportive and respectful workplace culture where every employee can thrive based on their skills and contributions.

Individuals interested in accessing the Equal Opportunity Policy can contact the Company via email at csteam@5paisa.com.

Business Responsibility and Sustainability Report (BRSR) (Contd.)

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	0%	0%	NA	NA
Female	100%	85%	NA	NA
Total	100%	85%	NA	NA

*Being a stock broker, providing financial services, the Company does not have any workers employed at its office.

None of the Male employees took Paternal Leave during the FY 23-24.

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/No (If yes, then give details of the mechanism in brief)
Permanent workers	Not Applicable. Being a stock broker, providing financial services, the Company does not have any workers employed at its office.
Other than Permanent workers	Not Applicable. Being a stock broker, providing financial services, the Company does not have any workers employed at its office.
Permanent employees	Yes, the Company maintains a comprehensive grievance redressal mechanism to address concerns from various categories of employees, supported by specific policies like Prevention of Sexual Harassment (POSH), Human Rights and others. The Company ensures that all employees, regardless of their role or level, have accessible channels to report grievances confidentially and without fear of retaliation.
Other than Permanent employees	Employees can report grievances through designated channels such as dedicated email addresses, internal communication platforms or directly to HR representatives. The Company emphasizes transparency and fairness in handling grievances, ensuring thorough investigations and appropriate actions based on established policies and legal frameworks. Regular training programs educate employees about their rights, available grievance procedures and the importance of maintaining a respectful workplace environment. Moreover, the Company regularly reviews and updates its grievance mechanisms to align with evolving regulatory requirements and best practices in the financial services industry.

By fostering an inclusive and supportive workplace culture through effective grievance redressal mechanisms, the Company demonstrates its commitment to maintaining a conducive work environment where all employees can thrive professionally and feel valued.

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

Category	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
	Total employees/workers in respective category (A)	No. of employees/workers in Respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees/workers in respective category (C)	No. of employees/workers in respective category, who are part of association(s) or Union (D)	% (D/C)
Total Permanent employees	548	0	0%	541	0	0%
Male	369	0	0%	336	0	0%
Female	179	0	0%	205	0	0%
Total Permanent workers*	NA	NA	NA	NA	NA	NA
Male	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA

*Being a stock broker, providing financial services, the Company does not have any workers employed at its office.

Note:

5paisa Capital Limited does not have an employee association but acknowledges and honors employees' right to form associations. The Company encourages open dialogue and direct engagement between management and staff, fostering a supportive and positive workplace.

Business Responsibility and Sustainability Report (BRSR) (Contd.)

8. Details of training given to employees and workers:

Category	FY 2023-24 Current Financial Year					FY 2022-23 Previous Financial Year				
	Total (A)	On Health and Safety measures		On skills up gradation		Total (D)	On Health and Safety measures		On skills up gradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-
Workers*										
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

*Being a stock broker, providing financial services, the Company does not have any workers employed at its office.

The Company is committed to enhancing employee effectiveness through ongoing learning and development programs. Throughout the year, we have offered a variety of skill-building opportunities tailored to different roles and levels within the Company.

The Company conducts various health and safety awareness campaigns. These include fire drills, Consultation programmes by Doctors, training on POSH etc.

To address diverse learning needs, we have created interactive videos which are available on Moneyversity, allowing employees from all levels to develop their skills at their convenience.

The Company have also conducted in-person Grooming workshops for sales teams to improve their professional appearance and communication skills, particularly for engaging with high-net-worth clients.

The Company's skill upgradation programme consists of induction, regulatory, conduct and compliance, domain specific, behavioural and leadership development programs conducted through instructor-led trainings and e-learning modules.

For new joiners, the Company organize induction programs, providing an overview of the Company's policies including health and safety measures relevant to their employment. Additionally, the Company conducts on the job sessions to upgrade employees' skills in response to new advancements within their operations.

These initiatives underscore our dedication to the comprehensive development and well-being of our employees, equipping them with the skills and knowledge to excel both personally and professionally.

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

Category	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
Male	537	537	100%	336	336	100%
Female	341	341	100%	205	205	100%
Total	878	878	100%	541	541	100%
Workers*						
Male	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA
Total	NA	NA	NA	NA	NA	NA

*Being a stock broker, providing financial services, the Company does not have any workers employed at its office.

Note:

The Organization emphasizes the professional growth and career development of our employees through a systematic performance appraisal process. This process, established by the Company, guarantees that all eligible employees are evaluated to measure their performance and advancement.

Your Company believes in offering variety of paths to an individual to grow and excel within the organisation in order to reach their full potential thus ensuring individual and organizational growth.

Business Responsibility and Sustainability Report (BRSR) (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, the coverage such system?

The Company does not have a formal Occupational Health and Safety (OHS) management system in place currently, however, it recognizes the inherent low-risk nature of its operations. The Company has prioritized employee well-being and safety by implementing necessary health and safety measures.

These include installing essential systems like fire safety equipment, wheelchairs, stretchers and basic first aid kits at accessible locations within its premises.

The Company also conducts regular fire safety and emergency preparedness training, alongside implementing CCTV monitoring and access control systems for physical and electronic security. Emergency/disaster management drills, including fire-fighting drills are conducted periodically across all offices.

Additionally, the Company has arrangements of medical professionals for emergency medical support, ensuring employee health needs are promptly addressed. Hygienic workplaces with safe drinking water, proper ventilations and clean restrooms are the measures further contribute to maintaining a healthy and secure environment for all employees.

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

The Company, as a provider of financial services, operates in an environment where work-related hazards are inherently lower compared to industries involved in manufacturing or heavy operations.

However, the Company has established manuals and procedures to address environmental aspects and health and safety risks within its facilities. These include measures to manage utilities, maintain indoor air quality, ensure elevator safety and implement fire safety procedures.

The Company also emphasizes the use of personal protective equipment and clear signage to enhance safety standards. Periodic risk assessments are conducted to identify potential hazards associated with service provision and operational activities.

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

Given the nature of the business operations, the Company does not employ workers in the traditional sense. However, the employees have access to designated channels within the office premises to report any identified risks or hazards. This ensures that all concerns related to safety can be promptly addressed and mitigated as necessary.

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

Yes, the employees have access to non-occupational medical and healthcare services through various provisions. The Company maintains first aid boxes stocked with essential medicines to address immediate health concerns. Additionally, the office facility is equipped with access to doctors who are available to assist all employees within the building, ensuring that medical attention is readily accessible when needed. These measures are part of the Company's commitment to supporting the health and well-being of its workforce beyond occupational health considerations.

11. Details of safety related incidents:

Safety Incident/Number	Category	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers*	NA	NA
Total recordable work-related injuries	Employees	0	0
	Workers*	NA	NA
No. of fatalities	Employees	0	0
	Workers*	NA	NA
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers*	NA	NA

*Being a stock broker, providing financial services, the Company does not have any workers employed at its office.

Business Responsibility and Sustainability Report (BRSR) (Contd.)

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

The Company is committed to cultivating a safe and healthy workplace environment for its employees, emphasizing continuous training, education and adherence to best practices to uphold overall well-being and psychological safety. Its health and safety protocols are well-established with regular safety drills conducted quarterly to reinforce these practices. It prioritizes the availability of medical facilities and maintain fully stocked first-aid kits to ensure immediate medical assistance for any injuries or emergencies that may arise. In addition, it offers wellness sessions such as Zumba, yoga and meditation to encourage work-life balance and enhance employee well-being.

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

Category	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	NIL	NIL	Not Applicable	NIL	NIL	Not Applicable
Health & Safety	NIL	NIL	Not Applicable	NIL	NIL	Not Applicable

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health & Safety practices	100 %
Working Conditions	100 %

Basic internal checks are conducted to ensure a healthy and safe workplace environment. Given that the Company operates in the financial services sector, the working conditions do not entail physical risks that are typically associated with manufacturing industries.

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.

None of such risks/ concerns identified during the FY 23-24.

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)

(A) Employees: Yes, the Company offers life insurance coverage.

(B) Workers: Being a stock broker, providing financial services, the Company does not have any workers employed at its office.

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

The Company prioritizes adherence to statutory requirements across its value chain. This encompasses ensuring that vendors promptly deduct and remit necessary statutory dues like GST on time. The Company rigorously cross-reference GST payments made by vendors through the GST system to ensure compliance.

3. 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:

	Total no. of affected employees/ workers		No. of employees/ workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Employees	NA	NA	NA	NA
Workers	NA	NA	NA	NA

Business Responsibility and Sustainability Report (BRSR) (Contd.)
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)

The Company offers continuous opportunities for employees to enhance their skills through specialized training, skill development and leadership programs. These initiatives ensure that employees remain up-to date with the latest trends and maintain a high level of employability.

5. Details on assessment of value chain partners:

% of value chain partners (by value of business done with such partners) that were assessed	
Health & Safety practices	NIL
Working Conditions	NIL

The Company has not yet conducted an evaluation of its value chain partners. However, it expects them to comply with the clauses included in its contracts and adhere to the safety norms prescribed by the relevant authorities concerning workforce safety.

6. 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

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.

To effectively identify key stakeholder groups, the Company has its Stakeholder Engagement Policy. It begins by defining stakeholders broadly as individuals, groups or organizations impacted by its activities. This includes internal stakeholders such as employees and management as well as external stakeholders like customers, clients, investors, shareholders, regulatory bodies, business associates, media and social organizations. Stakeholder mapping involves categorizing these groups based on their influence, level of interest and impact on the Company. Engagement strategies are then tailored to each group, utilizing various channels such as direct communications, surveys, feedback mechanisms, meetings, portals, social media and industry forums.

The Stakeholders Relationship Committee conducts regular reviews of the stakeholder engagement policy, ensuring its alignment with Company strategy and relevance in dynamic stakeholder landscapes. Amendments or updates to the policy are communicated to the Board of Directors for approval. Stakeholder insights gathered through these engagements are integrated into strategic decision-making processes, enabling the identification of opportunities and risks associated with stakeholder expectations. Comprehensive documentation and reporting on engagement activities further support transparency and accountability, facilitating ongoing improvements based on stakeholder feedback. This systematic approach ensures that the Company maintains proactive and meaningful relationships with its stakeholders, fostering trust and supporting sustainable business practices.

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	<ul style="list-style-type: none"> • Review meets • Town hall meetings • Learning and development initiatives • Reward and recognition programmes • Newsletters and portals • Discussions with senior leaders • Engagement initiatives 	Frequently or as and when required	Information about Important Advances in the Company, Performance review, Benefits Structure, Career Development and Growth Opportunities, Skills Upgradation Programmes, Rewards & Recognition, Employee engagement activities etc.

Business Responsibility and Sustainability Report (BRSR) (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
Customers & Clients	No	<ul style="list-style-type: none"> Corporate website Toll-free number Digital platforms Social media Customer/client relationship managers Customer/client satisfaction surveys Media campaigns and advertising Knowledge seminars and events 	Frequently or as and when required	Delivery of Service, Resolving their grievances, Addressing their Queries, Feedback Surveys, Introducing new service/feature, etc.
Business Associates, Dealers & Vendors	No	<ul style="list-style-type: none"> One-to-one meeting with the top management Product/process trainings for new and old partners Conferences and Forums Written communications Engagement portal 	Monthly/ Quarterly/ Annually	Quality of Product/ Service, On-time Deliveries, Timely Payments, Contract Commercials & Terms, Statutory Compliances, Maintaining Relationships etc.
Regulatory Bodies	No	<ul style="list-style-type: none"> Industry associations/ Forums Corporate Presentations/ Reports Written Communications One-to-one meetings 	As and when required	Policy & Regulatory Matters, Filing of Returns, Reports Submissions, Amendments & Approvals, Assessment Results, Guidelines/ Circulars of added regulations, Ethical Practices etc.
Banks	No	<ul style="list-style-type: none"> Corporate Communication Written Communications 	Frequently or as and when required	Statutory Compliance & Overall Transactions
Shareholders, Investors and Members	No	<ul style="list-style-type: none"> Annual General Meetings Conferences Investor meets, Conference calls Annual Reports Investor Presentations Website Press/ Media Releases 	Frequently or as and when required	Company's Financial & Non-financial Performance, Expectations & Complaints of Shareholders/ Investors, Market Growth, Major developments, Governance, ethics & transparency etc.
Media & Social Organization	No	<ul style="list-style-type: none"> Press conferences Meetings Written communication 	As and when required	New Developments & Additions of Services, Mandatory Announcements, etc.
Communities	Yes	<ul style="list-style-type: none"> CSR initiatives Empowerment programs 	Monthly/ Quarterly/ Annually	CSR Initiatives, Social impact Programmes, Company operations, Grievances & Complaints Management, Well-being of Society, etc.

LEADERSHIP INDICATORS
1. 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.

Engagement with stakeholders is a continuous process, integral to the ongoing business activities of the Company. This engagement is primarily managed by responsible business functions with senior executives participating as needed. The Company ensures transparent communication and provides access to relevant information regarding decisions

Business Responsibility and Sustainability Report (BRSR) (Contd.)

that impact stakeholders, balancing this with the need to protect confidential competitive plans and information, within regulatory constraints. Regular updates on developments stemming from stakeholder engagements are provided to the Board of Directors (BoD), who offer their guidance and inputs on these 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 policies and activities of the entity.

Yes, stakeholder consultation is integral to the Company's approach in identifying and managing environmental and social topics. Recognizing its ongoing learning phase on evolving issues, the Company actively engages with consultants and experts to better understand stakeholder expectations. This collaborative effort informs the development of environmental strategies focused on energy efficiency, waste management and carbon footprint reduction. Similarly, inputs from stakeholders and CSR experts guide the Company's social responsibility initiatives, ensuring they address local community needs effectively. Continuous engagement with stakeholders and experts helps the Company stay informed about emerging trends and regulatory changes, facilitating proactive adjustments in policies and activities to meet evolving expectations and enhance sustainability practices.

3. Details of instances of engagement with and actions taken to address the concerns of vulnerable/ marginalized stakeholder groups.

The Company is dedicated to supporting vulnerable and marginalized stakeholder groups through its robust CSR initiatives. The Company, through IIFL Foundation, undertakes need based projects to promote all-round wellness and development of our communities. These efforts focus on providing educational opportunities, healthcare support and economic empowerment to underprivileged individuals. The Company offers scholarships, vocational training and educational sponsorships to enhance opportunities for disadvantaged youth. In healthcare, the Company funds medical camps and promotes health awareness among marginalized communities. Additionally, it empowers these groups economically through skill development workshops and support for small businesses. By addressing these concerns comprehensively, the Company aims to foster social inclusion and sustainable development, ensuring its CSR efforts have a positive and lasting impact on society's most vulnerable members.

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:

Category	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
	Total (A)	No. of employees/ workers covered (B)	% (B/A)	Total (C)	No. of employees/ workers covered (D)	% (D/C)
Employees						
Permanent	-	-	-	-	-	-
Other than permanent	-	-	-	-	-	-
Total Employees	-	-	-	-	-	-
Workers*						
Permanent	NA	NA	NA	NA	NA	NA
Other than permanent	NA	NA	NA	NA	NA	NA
Total Workers	NA	NA	NA	NA	NA	NA

*Being a stock broker, providing financial services, the Company does not have any workers employed at its office.

The Company is committed to ensuring that human rights are upheld across all its operations, with a firm stance against discrimination of any kind, including race, colour, gender, language, religion, political beliefs, national or social origin, property, birth or other status.

To support this commitment, we have developed a detailed Human Rights Policy, which is communicated to employees through internal networks and emails, ensuring widespread awareness and understanding.

Moreover, we emphasize the importance of preventing sexual harassment in the workplace by mandating training programs for all employees. This initiative reflects our dedication to creating a safe and respectful work environment for all individuals.

Further, the Company organize induction programs for new joiners, providing an overview of the Company's policies, including the application of human rights norms.

Business Responsibility and Sustainability Report (BRSR) (Contd.)

2. Details of minimum wages paid to employees and workers:

Category	FY 2023-24 Current Financial Year					FY 2022-23 Previous Financial Year				
	Total (A)	On Health and Safety measures		On skills up gradation		Total (D)	On Health and Safety measures		On skills up gradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent										
Male	369	0	0%	369	100%	336	0	0%	336	100%
Female	179	0	0%	179	100%	205	0	0%	205	100%
Other than permanent										
Male	168	0	0%	168	100%	0	0	0%	0	0%
Female	162	0	0%	162	100%	0	0	0%	0	0%
Workers*										
Permanent										
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Other than permanent										
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

*Being a stock broker, providing financial services, the Company does not have any workers employed at its office.

3. Details of remuneration/ salary/ wages

a. Median remuneration/ wages:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)*	3	₹ 518.90 Lakhs	0	0
Key Managerial Personnel**	1	₹ 33.81 Lakhs	1	₹ 65.53 Lakhs
Employees other than BoD and KMP	505	₹ 3.88 Lakhs	315	₹ 2.32 Lakhs
Workers***	NA	NA	NA	NA

*The Board of Directors includes the Managing Director (also serving as Chief Executive Officer) and the Whole Time Director (also serving as Chief Financial Officer). It also includes a former Whole Time Director (who previously served as Chief Executive Officer but has left the Company). Independent Directors are excluded here, as they receive sitting fees rather than remuneration.

**Key Management Personnel includes the Chief Information Security Officer and the Compliance Officer.

***Being a stock broker, providing financial services, the Company does not have any workers employed at its office.

b. Gross wages paid to females as % of total wages paid by the entity:

	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Gross wages paid to females as % of total wages	22.10%	21.98%

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. According to the Company's Human Rights Policy, the Head of Human Resources is responsible for addressing any human rights issues that may arise.

Additionally, a dedicated email address is available for submitting complaints related to the Policy on Prevention of Sexual Harassment at the Workplace. This ensures that employees have a confidential and accessible way to report concerns.

Business Responsibility and Sustainability Report (BRSR) (Contd.)

An Internal Complaints Committee has been established under this policy to manage and resolve complaints. This committee is responsible for ensuring that issues related to workplace sexual harassment are handled fairly and promptly.

These steps reflect our dedication to maintaining human rights principles and ensuring a safe and respectful environment for all employees.

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

The Company is committed to upholding a robust Human Rights and POSH (Prevention of Sexual Harassment) policy framework aimed at fostering a safe, respectful and inclusive workplace environment.

The Company's Human Rights policy underscores its dedication to respecting and protecting the fundamental rights of all individuals associated with the Company, regardless of their role or position. This policy guides the Company's efforts to promote equality, non-discrimination and ethical conduct across all aspects of its operations.

Additionally, the Company's POSH policy aligns with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, ensuring that every employee has the right to work in an environment free from all forms of harassment. The Internal Committee (IC), mandated by the POSH policy, plays a pivotal role in addressing complaints promptly and impartially. Composed of diverse members, including senior-level women and representatives from NGOs, the IC conducts fair inquiries into complaints of sexual harassment, respecting principles of natural justice. Our Whistle-blower Policy provides a robust mechanism for stakeholders, including employees to report any unethical or illegal activities. Employees are encouraged to raise concerns about misconduct either by email or in person.

The Company prioritize awareness and training, regularly conducting workshops to educate employees about their rights and responsibilities under these policies. Confidentiality is paramount throughout the grievance redressal process to safeguard the identities of complainants and witnesses. By monitoring compliance and conducting regular audits, the Company reinforce its commitment to maintaining high standards of ethical conduct and ensuring a supportive workplace culture where every individual feels valued and respected.

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

Category	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	NIL	NIL	Not Applicable	NIL	NIL	Not Applicable
Discrimination at workplace	NIL	NIL	Not Applicable	NIL	NIL	Not Applicable
Child Labour	NIL	NIL	Not Applicable	NIL	NIL	Not Applicable
Forced Labour/ Involuntary Labour	NIL	NIL	Not Applicable	NIL	NIL	Not Applicable
Wages	NIL	NIL	Not Applicable	NIL	NIL	Not Applicable
Other human rights related issues	NIL	NIL	Not Applicable	NIL	NIL	Not Applicable

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

Safety Incident/Number	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Total Complaints reported under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	NIL	NIL
Complaints on POSH as a % of female employees / workers	NIL	NIL
Complaints on POSH upheld	NIL	NIL

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

In cases where discrimination and harassment is involved, the Company ensures robust mechanisms to prevent adverse consequences to the complainant through its Grievance Redressal Policy, Prevention of Sexual Harassment at Workplace Policy, Whistle Blower Policy and Human Rights Policy.

Business Responsibility and Sustainability Report (BRSR) (Contd.)

These Policies provides a secure framework for employees to report instances of unethical or improper conduct without fear of retaliation. It mandates that no unfair treatment, such as discrimination, harassment or victimization, be inflicted upon the complainant for raising a protected disclosure in good faith. The policy explicitly condemns any form of retaliation, including threats, intimidation, disciplinary actions, demotion or discrimination.

Under this policy, the identity of the complainant is kept confidential and steps are taken to minimize any difficulties they may face as a result of their disclosure. If the complainant is required to provide evidence in disciplinary proceedings, the Company ensures they receive appropriate support and guidance throughout the process. The policy also extends protection to any employee assisting in the investigation, maintaining confidentiality and safeguarding against any adverse consequences.

Moreover, the Human Rights Policy reinforces these protections by fostering a work environment where all individuals are treated with dignity and respect. It upholds principles of equality, non-discrimination and ethical behavior, ensuring that all employees can work in an atmosphere free from harassment or discrimination of any kind. Together, these policies underscore the Company’s commitment to maintaining a workplace culture that values transparency, fairness and the well-being of its employees.

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

Yes, human rights requirements are incorporated into certain business agreements and contracts, wherever relevant.

10. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100%
Forced/ Involuntary labour	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%
Others – please specify	-

Basic internal checks are conducted to ensure a healthy and safe workplace environment. Given that the Company operates in the financial services sector, the working conditions do not entail physical risks that are typically associated with manufacturing industries.

11. Details of any corrective actions taken or underway to address significant risks/ concerns arising from the assessments at Question 9 above.

None of such risk/ concerns were identified during the FY 23-24.

LEADERSHIP INDICATORS

1. Details of a business process being modified/ introduced as a result of addressing human rights grievances/ complaints.

The Company did not receive any grievances or complaints related to human rights violations during the FY 23-24, therefore no modifications or introductions were made to the business processes.

2. Details of the scope and coverage of any Human rights due diligence conducted.

The Company’s human rights due diligence primarily includes the integration of human rights related questions in its annual Great Place to Work surveys. These surveys are designed to assess various aspects of the workplace environment, including employees’ perceptions and experiences related to human rights issues. By incorporating these questions, the Company seek to gather insights that inform its efforts in fostering a respectful and supportive workplace aligned with human rights principles.

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 Company ensures accessibility for differently abled visitors in compliance with the Rights of Persons with Disabilities Act, 2016. The Company premises are equipped with elevators and ramps to facilitate accessibility. Specifically, both ramps and elevators are available for differently abled individuals, contributing to an inclusive environment. Additionally, the office spaces feature voice-enabled lifts, ramps at restroom entrances and appropriate signage, fostering a supportive ecosystem for all individuals.

Business Responsibility and Sustainability Report (BRSR) (Contd.)
4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	NIL
Discrimination at workplace	NIL
Child Labour	NIL
Forced Labour/Involuntary Labour	NIL
Wages	NIL
Others – please specify	-

The Company has not yet conducted an evaluation of its value chain partners. However, it expects them to comply with the clauses included in its contracts and adhere to the human rights aspects prescribed in the policies and by the applicable relevant authorities.

5. Details of any corrective actions taken or underway to address significant risks/ concerns arising from the assessments at Question 4 above.

Not Applicable, since there was no assessment conducted.

PRINCIPLE 6 - Businesses should respect and make efforts to protect and restore the environment
ESSENTIAL INDICATORS
1. Details of total energy consumption (in Joules or multiples) and energy intensity:

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
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) – Kilojoules	6908674286	6579257143
Total fuel consumption (E) – Kilojoules	636762700	677337847
Energy consumption through other sources (F)	-	-
Total energy consumed from non-renewable sources (D+E+F) – Kilojoules	7545436986	7256594990
Total energy consumed (A+B+C+D+E+F) – Kilojoules	7545436986	7256594990
Energy intensity per rupee of turnover (Total energy consumed/ Revenue from operations) – Kilojoules per rupee of turnover	1.91251	2.14832
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity* (PPP) (Total energy consumed/ Revenue from operations adjusted for PPP)	38.67101	43.43902
Energy intensity in terms of physical output** – Kilojoules per employee	8593892	13413299
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-

*The revenue from operations has been recalibrated using the latest PPP conversion factor published by the World Bank for India in 2022, which stands at 20.22.

**The physical output for calculation purpose is considered as the total number of employees in respective FY.

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.

The Company has not undertaken any independent assessment/ assurance of the environmental data.

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, whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, the remedial action taken, if any.

The Company does not engage in manufacturing any products and therefore the above requirement does not apply.

Business Responsibility and Sustainability Report (BRSR) (Contd.)

3. Details of the following disclosures related to water:

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Groundwater (Bore well) - Litres	23146000	23025000
(iii) Third party water - Litres	3445000	3671000
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	26591000	26696000
Total volume of water consumption - in Litres	26591000	26696000
Water intensity per rupee of turnover (Total water consumption/ Revenue from operations) – Litres per rupee of turnover	0.00674	0.00790
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)* (Total water consumption/ Revenue from operations adjusted for PPP)	0.13628	0.15981
Water intensity in terms of physical output** – Litres per employee	30286	49346
Water intensity (optional) – the relevant metric may be selected by the entity	-	-

*The revenue from operations has been recalibrated using the latest PPP conversion factor published by the World Bank for India in 2022, which stands at 20.22.

**The physical output for calculation purpose is considered as the total number of employees in respective FY.

**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.**

The Company has not undertaken any independent assessment/ assurance of the environmental data.

4. Details related to water discharged:

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
- No treatment	-	-
- With treatment (level of treatment)	-	-
(ii) To Groundwater		
- No treatment	-	-
- With treatment (level of treatment)	-	-
(iii) To Seawater		
- No treatment	-	-
- With treatment (level of treatment)	-	-
(iv) Sent to third parties		
- No treatment	-	-
- With treatment (level of treatment)	-	-
(v) Others*		
- No treatment	26591000	26696000
- With treatment (level of treatment)	-	-
Total water discharged (in kilolitres)	26591000	26696000

*The water discharged from the office is directed to the local sewer.

**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.**

The Company has not undertaken any independent assessment/ assurance of the environmental data.

Business Responsibility and Sustainability Report (BRSR) (Contd.)
5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, details of its coverage and implementation.

No, the entity has not implemented a mechanism for zero liquid discharge as it is not applicable to the Company. However, it has incorporated water conservation measures such as installing water taps with sprinkler water output instead of normal taps and raising awareness among employees to save water and avoid wastage.

6. Details of air emissions (other than GHG emissions) by the entity:

Parameter	Please specify unit	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Nox	-	NA	NA
Sox	-	NA	NA
Particulate matter (PM)	-	NA	NA
Persistent organic pollutants (POP)	-	NA	NA
Volatile organic compounds (VOC)	-	NA	NA
Hazardous air pollutants (HAP)	-	NA	NA
Others – please specify	-	-	-

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.

The Company does not engage in manufacturing any products and therefore the above requirement does not apply.

7. Details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity:

Parameter	Unit	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	-	-
Total Scope 2 emissions - in Metric Tonnes	Metric tonnes of CO ₂ equivalent	1418.003	1356.003
Total Scope 1 and Scope 2 emissions per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations) - <i>Metric Tonnes per rupee of turnover</i>	-	3.59416	4.01446
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)* (Total Scope 1 and Scope 2 GHG emissions/ Revenue from operations adjusted for PPP)	-	7.26739	8.11723
Total Scope 1 and Scope 2 emission intensity in terms of physical output** – <i>Metric Tonnes per employee</i>	-	1.61504	2.50648
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	-	-	-

*The revenue from operations has been recalibrated using the latest PPP conversion factor published by the World Bank for India in 2022, which stands at 20.22.

**The physical output for calculation purpose is considered as the total number of employees in respective FY.

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.

The Company has not undertaken any independent assessment/ assurance of the environmental data.

Business Responsibility and Sustainability Report (BRSR) (Contd.)

8. Does the entity have any project related to reducing Green House Gas (GHG) emission? If Yes, then provide details.

The Company is not indulging in any manufacturing activity that could result in release of direct GHG emissions, however, it has implemented several initiatives aimed at enhancing environmental sustainability and reducing greenhouse gas emissions. This includes energy conservation efforts like installing capacitors and TFT (Thin Film Transistor) monitors to save power, LED lighting, automatic shutdown of idle monitors and sensor-based lighting in common areas. Employee education and awareness programs further reinforce these efforts, emphasizing the importance of conserving electricity and natural resources throughout the Company.

9. Details related to waste management by the entity:

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Total Waste generated (in metric tonnes)		
Plastic waste (A)	-	-
E-waste (B) - In Nos	231	45
Bio-medical waste (C)	-	-
Construction and demolition waste (D)	-	-
Battery waste (E) - In Nos	2	-
Radioactive waste (F)	-	-
Other Hazardous waste. if any. (G)	-	-
Other Non-hazardous waste generated (H). if any. (Break-up by composition i.e. by materials relevant to the sector)	-	-
Total (A + B + C + D + E + F + G + H) - In Nos	233	45
Waste intensity per rupee of turnover (Total waste generated/ Revenue from operations) - Nos per rupee of turnover	5.90576	1.33223
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)* (Total waste generated/ Revenue from operations adjusted for PPP)	1.19414	2.69377
Waste intensity in terms of physical output** - Nos per employee	0.26537	0.08317
Waste intensity (optional) – the relevant metric may be selected by the entity	-	-
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	-	-
(ii) Re-used	-	-
(iii) Other recovery operations	-	-
Total	-	-
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	-	-
(ii) Landfilling	-	-
(iii) Other disposal operations	-	-
Total	-	-

E-waste and battery waste generated by the Company are sent to authorised scrap dealers.

*The revenue from operations has been recalibrated using the latest PPP conversion factor published by the World Bank for India in 2022, which stands at 20.22.

**The physical output for calculation purpose is considered as the total number of employees in respective FY.

Business Responsibility and Sustainability Report (BRSR) (Contd.)

The waste generated at the Company premises is collected by authorized scrap vendors or disposed of by waste collectors stationed at office locations

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.

The Company has not undertaken any independent assessment/ assurance of the environmental data.

10. The waste management practices adopted in your establishments. The strategy adopted by your Company to reduce usage of hazardous and toxic chemicals in products and processes and the practices adopted to manage such wastes.

The Company prioritizes sustainable waste management practices across its office premises. This includes reducing plastic waste by eliminating plastic stationery and promoting the use of environmentally friendly materials like reusable bottles. Additionally, it utilize 100% biodegradable plastic garbage bags for efficient waste collection and disposal. Its efforts extend to minimizing paper consumption through digital processes, including fully digitized customer on-boarding and electronic documentation. E-waste management is also integral, ensuring responsible disposal through registered vendors for items such as computers, servers and batteries. These initiatives underscore the Company's commitment to minimizing environmental impact and promoting sustainable business practices.

As the Company is in financial services sector, there is no usage of hazardous & toxic chemicals.

11. 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?

Sr. No.	Location of operations/ offices	Type of operations	Whether the conditions of environmental approval/ clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
NIL	NIL	NIL	NIL

None of the sites/ offices of the Company fall in/ around ecologically sensitive areas.

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
NIL	NIL	NIL	NIL	NIL	NIL

13. 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 and Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances:

Sr. No.	Specify the law/ regulation/ guidelines which was not complied with	Provide details of the non-compliance	Any fines/ penalties/ action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
NIL	NIL	NIL	NIL	NIL

Business Responsibility and Sustainability Report (BRSR) (Contd.)

LEADERSHIP INDICATORS

1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

For each facility/ plant located in areas of water stress:

(i) **Name of the area**

NA

(ii) **Nature of operations**

NA

Being a stock broker, providing financial services, the Company do not consume or discharge huge amount of water.

(iii) **Water withdrawal, consumption and discharge:**

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Groundwater	-	-
(iii) Third party water	-	-
(iv) Seawater/ desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilolitres)	-	-
Total volume of water consumption (in kilolitres)	-	-
Water intensity per rupee of turnover (Water consumed/ turnover)	-	-
Water intensity (optional) – the relevant metric may be selected by the entity	-	-
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water		
- No treatment	-	-
- With treatment (level of treatment)	-	-
(ii) Into Groundwater		
- No treatment	-	-
- With treatment (level of treatment)	-	-
(iii) Into Seawater		
- No treatment	-	-
- With treatment (level of treatment)	-	-
(iv) Sent to third parties		
- No treatment	-	-
- With treatment (level of treatment)	-	-
(v) Others		
- No treatment	-	-
- With treatment (level of treatment)	-	-
Total water discharged (in kilolitres)	-	-

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 (BRSR) (Contd.)
2. Details of total Scope 3 emissions & its intensity:

Parameter	Unit	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
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)	Metric tonnes of CO ₂ equivalent	-	-
Total Scope 3 emissions per rupee of turnover	-	-	-
Total Scope 3 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.**

Not Applicable

3. With respect to the ecologically sensitive areas reported at Question 11 of ESSENTIAL INDICATORS above, details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Not Applicable

4. 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, details of the same as well as outcome of such initiatives:

Sr. No.	Initiative undertaken	Details of the initiative (Web-link, if any, along with summary)	Outcome of the initiative
1.	Green Power Procurement	Green Power Procurement has been made for the Company's Registered Office	Lower reliance on traditional energy sources thus minimising carbon footprint
2.	Use of energy efficient LED's	Office is equipped with LED Lights	Decrease in energy consumption thus contributing to sustainability efforts undertaken by the Company
3.	Water Conservation	Installing sensor-based taps to help reduce fresh water consumption	These systems help in reducing overall consumption
4.	Effective Disposal of Sanitary Napkins	The Company ensures effective disposal of Sanitary Napkins	Fostering ecological stewardship and enhancing community health

5. Does the entity have a business continuity and disaster management plan?

Yes, the Company has a comprehensive Business Continuity Management System (BCMS) in place, ensuring preparedness for major service disruptions. The Business Continuity Management System (BCMS) is meticulously structured to anticipate and manage a diverse array of potential disruptions that could impact Company's operations.

This comprehensive framework encompasses preparedness for natural disasters such as earthquakes and floods, ensuring employee safety and minimizing operational downtime. It also addresses technological failures with robust IT recovery strategies to swiftly restore critical data and services. Human factors are carefully considered with protocols in place to mitigate disruptions caused by human error or deliberate actions.

The BCMS further includes specific provisions for managing disruptions during health crises like pandemics, prioritizing both operational continuity and employee well-being. Supply chain disruptions are proactively managed to ensure uninterrupted service delivery to customers, while stringent adherence to regulatory and legal requirements safeguards against compliance risks.

Effective communication strategies during crises uphold the Company's reputation and maintain stakeholder confidence. Financial impacts are also mitigated through proactive measures aimed at minimizing losses and facilitating swift recovery.

The Company's BCMS thus stands as a robust framework that not only focuses on immediate response and recovery but also emphasizes proactive resilience-building measures to uphold business continuity under varying uncertain scenarios.

Business Responsibility and Sustainability Report (BRSR) (Contd.)

6. 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?

NIL

7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

The Company has not yet conducted an evaluation of its value chain partners. However, it expects them to comply with the clauses included in its contracts and follow the sustainable practices as required and prescribed by the applicable relevant authorities.

PRINCIPLE 7 - Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

ESSENTIAL INDICATORS

1. a. Number of affiliations with trade and industry chambers/ associations.

The Company is member of 1 (one) trade and industry chambers/ associations.

- b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

Sr. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/ National)
1	Association of Mutual Funds in India (AMFI)	National

2. 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.

Name of authority	Brief of the case	Corrective action taken
NIL	NIL	NIL

There were no such matter related to anti-competitive conduct by the entity were reported during the FY 23-24.

LEADERSHIP INDICATORS

1. Details of public policy positions advocated by the entity:

Sr. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others – please specify)	Web Link, if available
1	Penalties considering the intent of the Member and any procedural or technical errors	Emailers to the Stock Exchanges	No	NA	NA
2	Most Important Terms & Conditions (MITC)	Representations to the Stock Exchanges	No	NA	NA

Business Responsibility and Sustainability Report (BRSR) (Contd.)
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.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
NA	NA	NA	NA	NA	NA

2. Information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by the entity:

Sr. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
NA	NA	NA	NA	NA	NA	NA

3. Describe the mechanisms to receive and redress grievances of the community.

The Company actively engages with the community through its CSR initiatives, managed by a dedicated CSR Committee. This Committee oversees the successful implementation of CSR projects and ensures that community feedback is integrated into the initiatives. Community members can raise their concerns or provide feedback in person during CSR activities or through the Company's "Contact Us" page at <https://www.5paisa.com/contact-us>. This mechanism allows for transparent communication and effective redressal of community grievances, fostering a collaborative approach to community development.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Directly sourced from MSMEs/ small producers	NA	NA
Directly from within India	NA	NA

As the Company operate in the financial services sector and do not engage in manufacturing activities, there is no input of materials for production.

5. Job creation in smaller towns – wages paid to persons employed (including employees or workers employed on a permanent or non-permanent/ on contract basis) as % of total wage cost:

Location	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Rural	0 %	0 %
Semi-urban	0 %	0 %
Urban	9.02 %	6.34 %
Metropolitan	90.98 %	93.66 %

Business Responsibility and Sustainability Report (BRSR) (Contd.)

LEADERSHIP INDICATORS

1. Details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
NA	NA

2. Information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

Sr. No.	State	Aspirational District	Amount spent (In INR)
1.	Rajasthan	Sirohi	₹ 67,20,000/-

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized/ vulnerable groups? (Yes/No)
 (b) From which marginalized/ vulnerable groups do you procure?
 (c) What percentage of total procurement (by value) does it constitute?

Considering the nature of the business operations, the Company's procurement needs are relatively limited. However, its CSR policy prioritizes sourcing materials from suppliers within vulnerable and marginalized groups, particularly in collaboration with the IIFL Foundation during CSR project implementations.

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:

Sr. No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/ No)	Benefit shared (Yes/ No)	Basis of calculating benefit share
NIL	NIL	NIL	NIL	NIL

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.

Name of authority	Brief of the Case	Corrective action taken
NA	NA	NA

6. Details of beneficiaries of CSR Projects:

Sr. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1.	Sakhiyo ki baadi – (Building foundational literacy among females from marginalised communities of Rajasthan, through flagship programme 'Sakhiyon ki Baadi', with 75 learning centres in Sirohi district)	-	-

Given the nature of the CSR projects, accurately quantifying the exact number of beneficiaries is challenging. However, the Company has ensured that these projects are designed to benefit marginalized and vulnerable groups, addressing their specific needs and contributing to their well-being.

Business Responsibility and Sustainability Report (BRSR) (Contd.)

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.

The mechanisms in place to receive and respond to consumer complaints and feedback at the Company are comprehensive and aimed at ensuring customer satisfaction and compliance with regulatory standards. The Company has established a dedicated Customer Care Policy that covers the detailed approach adopted by the Company to resolve the grievances or concerns of its customers.

To facilitate effective grievance redressal, the Company has implemented a swift and accessible mechanism. Customers can lodge their grievances through designated channels such as sending an email on support@5paisa.com and grievance@5paisa.com. These channels ensure that complaints are promptly addressed and provide guidance on escalating issues if customers are not satisfied with the initial response.

Furthermore, the Company conducts regular customer awareness programs to keep customers informed about its products and services. Feedback collection is actively encouraged through feedback forms circulated among customers and available on the Company's website. This ensures continuous improvement based on customer inputs.

In terms of compliance and data privacy, the Company adheres to regulatory requirements and protects customer data through consent mechanisms and cyber-security measures.

Overall, the Company's Customer Care Policy underscores its commitment to ethical customer relations, regulatory compliance and continuous improvement through structured feedback mechanisms and proactive customer engagement initiatives.

2. Turnover of products and/ services as a percentage of turnover from all products/ service that carry information about:

	As a Percentage of total Turnover
Environmental and social parameters relevant to the product	NA
Safe and responsible usage	NA
Recycling and/or safe disposal	NA

As the Company is a financial service provider, it does not manufacture products in the traditional sense. Hence, the above is not applicable to it.

3. Number of consumer complaints in respect of the following:

	FY 2023-24 (Current Financial Year)		Remarks	FY 2022-23 (Previous Financial Year)		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	NIL	NIL	Not Applicable	NIL	NIL	Not Applicable
Advertising	NIL	NIL	Not Applicable	NIL	NIL	Not Applicable
Cyber-security	NIL	NIL	Not Applicable	NIL	NIL	Not Applicable
Delivery of essential services	NIL	NIL	Not Applicable	NIL	NIL	Not Applicable
Restrictive Trade Practices	NIL	NIL	Not Applicable	NIL	NIL	Not Applicable
Unfair Trade Practices	NIL	NIL	Not Applicable	NIL	NIL	Not Applicable
Other	NIL	NIL	Not Applicable	NIL	NIL	Not Applicable

Business Responsibility and Sustainability Report (BRSR) (Contd.)

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	NA	NA
Forced recalls	NA	NA

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/ No) If available, provide a web-link of the policy.

Yes. The Company maintains a comprehensive Information & Cyber Security Policy designed to mitigate cyber security risks and uphold data privacy standards effectively. The policy covers critical domains such as Physical and Environmental Security, Equipment Security, Business Continuity Management and Incident and Crisis Management. It mandates stringent controls to prevent unauthorized access to sensitive areas and protect against environmental threats like fire and natural disasters. Guidelines for secure equipment placement and maintenance ensure resilience against disruptions to utilities like power and telecommunications. Business Continuity Management is integrated with information security, emphasizing the need for business impact analyses and the implementation of contingency plans to ensure uninterrupted operations during crises.

The policy further outlines robust Incident and Crisis Management protocols, including procedures for detecting, reporting and responding to security incidents. It establishes clear roles and responsibilities for incident response teams and emphasizes continual improvement through post-incident analysis. Compliance with legal, regulatory and contractual requirements is a cornerstone, covering areas such as intellectual property rights, data privacy and cryptographic controls. Regular reviews of security controls, third-party risk assessments and performance metrics ensure ongoing effectiveness in managing cyber security risks. Although this policy is marked as internal and confidential, it serves as a foundational document guiding the Company's commitment to maintaining high standards of information security and protecting sensitive data.

The Cyber-Security Policy can be accessible by sending an email at csteam@5paisa.com.

6. Details of any corrective actions taken or underway on issues relating to advertising and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/ action taken by regulatory authorities on safety of products/ services.

There were no issues relating to advertising and delivery of the services occurred during the FY 23-24.

7. Information relating to data breaches:

a. Number of instances of data breaches

During the FY 23-24, the Company did not experience any instances of data breaches. However, as a precautionary measure, the Company has implemented tools such as network firewalls, endpoint encryption, web application firewalls, dark web monitoring, etc. to safeguard data from potential security risks.

b. Percentage of data breaches involving personally identifiable information of customers

NIL

c. Impact, if any, of the data breaches

Not Applicable

LEADERSHIP INDICATORS

1. Channels/ platforms where information on products and services of the entity can be accessed (provide web link, if available).

The information on various services of the Company is available on:

- Company's Website – www.5paisa.com
- Social Media Platforms – Instagram, LinkedIn, Twitter (Now "X"), Facebook

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

To ensure customers are informed and educated about safe and responsible service use, several proactive measures are implemented:

- Continuous updates are provided on Company's website to keep customers informed.

Business Responsibility and Sustainability Report (BRSR) (Contd.)

- b) Regular communication through E-mails, SMS and notifications is sent to customers to reinforce important information.
- c) Flash and pop-up messages modes are strategically used to deliver timely reminders and alerts to customers.

These efforts collectively aim to enhance customer awareness and promote secure practices when utilizing the services.

3. Mechanisms in place to inform consumers of any risk of disruption/ discontinuation of essential services.

Customers are promptly notified about any potential disruption or discontinuation of essential services through various communication channels:

- a) Call Centre;
- b) Updates on the Company website;
- c) Email and SMS notifications;
- d) Information disseminated from the Company's registered office.

These channels ensure that customers receive timely and comprehensive information regarding service continuity and any potential disruptions, enabling them to stay informed and prepared.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/ No/ Not Applicable) If yes, provide details in brief. 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. As a financial services provider, the Company ensure that service information provided on Company's website is updated beyond the requirements mandated by local laws.

Further, in every written reply to a client's concern, a feedback link is included for rating the company's services. For verbal inquiries, calls are directed to an interactive voice response (IVR) system, where clients can provide a service rating at the end of the call.

Corporate Governance Report

In accordance with the provisions of Regulation 34(3) read with Schedule V and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, ("**Listing Regulations**"), the Board of Directors ("**the Board**") of 5paisa Capital Limited ("**the Company**") have pleasure in presenting the Company's report containing the details of governance systems and processes for the Financial Year 2023-24.

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

At 5paisa, we feel proud of our visionary founders who laid the foundation stone for good governance long back and made it an integral part of its day-to-day business. Our history is a story of growth powered by ideas and values.

The principles of Corporate Governance are based on transparency, accountability and focus on the sustainable success of the Company over the long-term. Your Company believes that Corporate Governance is about what the Board does and how it establishes values of the Company and drives the Company's business with these principles. The Board strongly agrees that good governance helps your Company to achieve the objective of operating as a responsible corporate

citizen and therefore, at 5paisa, thrust is on ensuring highest standards of corporate behaviour towards everyone we work with, the communities we touch and the environment on which we have an impact thus resulting in good conduct and governance followed by transparency, fairness, integrity, equity and accountability in all its dealings with the customers, vendors, employees, regulatory bodies, investors and community at large. Our Corporate Governance reflects our value system, work culture and thought process.

The Management's commitment to these principles is reinforced through the adherence of all Corporate Governance practices which forms part of the Regulation No's. 17 to 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ["Listing Regulations"], as amended from time to time. The Company has also adopted the Code of Conduct for its Directors and Senior Management Personnel. The Company has in place a Code for Fair Disclosure and Conduct as required under the SEBI (Prohibition of Insider Trading) Regulations, 2015 which has been amended from time to time. In its endeavour to achieve the highest standards of governance, the Board continues to refine its ongoing practices.

CORPORATE GOVERNANCE FRAMEWORK

Board of Directors									
Ensures that long-term interests of stakeholders are being served Provides strategic direction, evaluates overall performance and maintains oversight									
Board Committees									
Makes informed decisions in the best interest of the Company Monitors the activities as per the scope defined in their respective terms									
Audit Committee	Nomination & Remuneration Committee	Stakeholders Relationship Committee	Risk Management Committee	Corporate Social Responsibility (CSR) Committee	Finance Committee	Environmental, Social and Governance (ESG) Committee	Independent Directors (ID) Committee	Information Technology (IT) Committee	Cyber Security Committee
Core Management Team									
Ensures effective implementation of decisions taken by the Board across all functions and teams Provides progress updates to Board and Board Committees regularly									

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. Your Company follows a robust process structure. Sincerity, fairness, transparency, good citizenship and commitment to compliance are key characteristics that drive relationships of the Board and Senior Management with other stakeholders.

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. Your Company adheres to ethical standards to ensure integrity, transparency, independence and accountability in 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 (UPS);
- 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;
- 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;
- Nomination & Remuneration Policy

These policies are available on your company's corporate website and can be accessed at <https://www.5paisa.com/investor-relations>.

BOARD OF DIRECTORS**(a) Composition of the Board of Directors as on March 31, 2024:**

The Board of Directors is the apex authority constituted by the Shareholders to supervise the comprehensive operations of the Company. The Board provides and evaluates the Company's strategic directions, management policies and their effectiveness, and ensures that Shareholders' long term interests are being served. Comprising esteemed individuals, the 5paisa Board brings forth a wealth of distinguished experience and unmatched expertise. Your Company's Board boasts an ideal blend of Executive and Non-Executive Directors, with a majority being Independent Directors, aligning seamlessly with the mandates of the Act, and Listing Regulations.

The Board exercises its fiduciary responsibilities to foster sound standards of Corporate Governance thus providing direction to the Management to achieve its objectives. The Board's actions and decisions are aligned with the Company's best interests. The Board reviews and approves strategy and oversees the actions and results of management to ensure that the long-term objectives of enhancing stakeholders' value are met.

As on March 31, 2024, the Board of your Company comprised of 6 (Six) Directors out of which 2 (Two) Directors (33.33%) are Executive Directors. The Company has 4 (Four) Independent Directors which comprises of 66.67% of the total strength of the Board. The Chairperson of the Board is an Independent Director. All the Independent Directors have confirmed that they meet the 'independence' criteria as mentioned under Regulation 16(1)(b) of the Listing Regulations and Section 149 of the Companies Act, 2013 (**"the Act"**).

(b) Appointment/Retirement/Resignation of Directors and Relationships between Directors:

- The Board of Directors at their meeting held on July 12, 2023, based on the approval and recommendation of Nomination and Remuneration Committee, considered and approved appointment of Mr. Narayan Gangadhar (DIN: 09298665) as the Managing Director of the Company for a period of 5 (Five) years w.e.f. July 13, 2023 to July 12, 2028. Further, the appointment of Mr. Narayan Gangadhar as Managing Director of the Company including the tenure and terms of remuneration was approved by the Members of the Company at their Annual General Meeting held on August 31, 2023.
- All Non-Independent Directors are liable to retire by rotation.
- During the year under review, Mr. Prakarsh Gagdani stepped down as a Whole Time Director & Chief Business Officer of the Company w.e.f. December 31, 2023. Further,

none of the Independent Directors of the Company has resigned before the expiry of his/her tenure as an Independent Director.

- Further, in order to pursue additional responsibilities as a Strategic Advisor to the IIFL group in their new initiatives towards Artificial Intelligence and Digital Transformation, Mr. Narayan Gangadhar (DIN: 09298665), *vide* his letter dated May 30, 2024 resigned from the post of Managing Director and Chief Executive Officer (CEO) of the Company with effect from the close of business hours of August 28, 2024 and the said resignation was accepted by the Board *vide* Circular Resolution dated May 30, 2024.
- Further, the Board of Directors, based on the recommendation of Nomination and Remuneration (NRC) Committee, at their meeting held on Friday, July 12, 2024 appointed Mr. Ameya Agnihotri (DIN: 07680132) as an Additional Director in the capacity of Whole Time Director of the Company w.e.f. July 13, 2024. The Board has recommended for approval of Members, appointment of Mr. Ameya Agnihotri as Whole-time Director of the Company at the ensuing AGM. Brief profile and other information in this regard forms part of AGM Notice.

- None of the Directors are related to any other Directors on the Board.

(c) Board Meetings and Directors attendance:

During the year under review, the Board met 6 (Six) times viz. on May 01, 2023; May 24, 2023; July 12, 2023; October 18, 2023; November 10, 2023 and January 11, 2024. The intervening gap between any two consecutive meetings did not exceed 120 days.

The table below illustrates the composition of the Board, their attendance at the Board Meetings held during the financial year under review and at the last Annual General Meeting ("AGM"), number of Directorships held in other companies, total number of committee positions held in other Indian Companies and names of other listed entities in which Directorship is held, including Category of Directorships as at March 31, 2024. 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 Director	DIN	No. of Meetings attended	Category	Attendance at the last AGM	Number of Other Directorships*	Committee Positions of the Board in Other Companies [^]		Directorship in other listed entities [@]
						Chairman	Member	
Dr. Archana Hingorani	00028037	6/6	Chairperson – Independent Director	Yes	6	2	2	4
Mr. Narayan Gangadhar [#]	09298665	3/3	Managing Director and CEO	Yes	4	0	0	0
Mr. Prakarsh Gagdani [§]	07376258	3/5	Whole Time Director and CBO	Yes	4	0	0	0
Ms. Nirali Sanghi	00319389	6/6	Independent Director	Yes	0	0	0	0
Mr. Milin Mehta	01297508	6/6	Independent Director	Yes	5	3	2	3
Mr. Ravindra Garikipati	00984163	6/6	Independent Director	Yes	3	1	1	2
Mr. Gourav Munjal	06360031	5/6	Whole Time Director and CFO	Yes	4	0	0	0

* Excludes directorship in private limited companies (other than subsidiaries of public companies), foreign companies, companies incorporated under Section 8 of the Act and Alternate Directorships.

[^] For the purpose of mentioning committee positions, all public limited companies (including subsidiaries of public companies), whether listed or not, have been included and all other companies including private limited companies, foreign companies, high value debt listed entities and companies under Section 8 of the Act, have been excluded. Only Audit Committee and Stakeholders' Relationship Committee are considered for the purpose of reckoning committee positions.

[#] Mr. Narayan Gangadhar was appointed as a Managing Director w.e.f. July 13, 2023

[§] Mr. Prakarsh Gagdani was re-designated as a Chief Business Officer w.e.f. July 13, 2023 while performing as a Whole Time Director of the Company. Further he stepped down as a Chief Business Officer and Whole Time Director w.e.f. December 31, 2023.

[@] Refer point (b) for detailed information

(d) Names of other listed entities where a Director of the Company is a Director and the category of Directorship as on March 31, 2024:

Name of the Director	Name of the Listed entities in which Director of the Company holds Directorship	Category of Directorship
Dr. Archana Hingorani	The Phoenix Mills Limited	Independent Director
	Alembic Pharmaceuticals Limited	Independent Director
	Grindwell Norton Limited	Independent Director
	Balaji Telefilms Limited	Independent Director
Mr. Narayan Gangadhar*	-	-
Ms. Nirali Sanghi*	-	-
Mr. Milin Mehta	Styrenix Performance Materials Limited	Independent Director
	VA Tech Wabag Limited	Independent Director
	Shaily Engineering Plastics Limited	Independent Director
Mr. Ravindra Garikipati	NIIT Learning Systems Limited	Independent Director
	NIIT Limited	Independent Director
Mr. Gourav Munjal*	-	-

* Concerned Directors do not hold any Directorships in other Listed entities as on March 31, 2024

(e) Limit on the number of Directorships/Committee Memberships:

None of the Directors on the Company's Board is a Member of more than ten committees and Chairman of more than five committees (Committees being, Audit Committee and Stakeholders' Relationship Committee) across all the Indian public limited companies in which he/she is a Director. All the Directors have periodically made necessary disclosures regarding their Directorship and Committee positions held by them in other companies and do not hold the office of Director in more than twenty companies, including ten public companies. Further, none of the Director who is serving as a Managing Director/ Whole Time Director in any Listed Company, is serving as an Independent Director in more than three Listed Companies. None of the Directors on the Board of the Company serves as a director in more than seven listed companies or as an Independent Director in more than seven Listed Companies.

(f) Independent Directors:

• **Selection of Independent Directors:**

Considering the requirement of skill sets on the Board, eminent people having an independent standing in their respective field/profession and who can effectively contribute to the 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 Act and Listing

Regulations viz. qualification, positive attributes, area of expertise, number of directorships and memberships held in various committees of other companies by such persons in accordance with the Company's Policy for Selection of Directors and determining Directors' Independence. The Board considers the Committee's recommendation and takes appropriate decision.

Prior to the appointment of an Independent Director, the Company sends him/her a formal invitation along with a detailed note on the profile of the Company, the Board structure and other relevant information. At the time of appointment of the Director, a formal letter of appointment as a Director of the Company is given. The role, functions, and responsibilities of the Director are also explained in detail and the Director is informed about the various compliances required from him/her as a Director under the various provisions of the Act, Listing Regulations, SEBI (Prohibition of Insider Trading) Regulations, 2015, the Code of Conduct of the Company and other relevant regulations. A Director, upon appointment, is formally inducted to the Board.

• **Term of Independent Directors:**

In accordance with Section 149(10) and Section 149(11) of the Act, the current tenure of Independent Directors of the Company is for a term of 5 (Five) years from the date of their appointment.

- **Familiarisation Programme:**

In order to familiarise the Independent Directors about the various business drivers, they are updated through presentations at Board Meetings about the performance and financials of the Company. They are also provided with the presentations about the business and operations of the Company from time to time.

The Company conducts familiarization programmes for Independent Directors to provide them an opportunity to familiarize with the Company, its Management and its operations to gain a clear understanding of their roles and responsibilities and contribute significantly towards the growth of the Company. The details of the familiarization programmes are disclosed on the website of the

Company at <https://www.5paisa.com/investor-relations/familiarization-of-independent-directors>

- **Meetings of Independent Directors:**

One Independent Directors' meeting was convened on March 28, 2024, to review the performance of the Non-Independent Directors including the Chairperson and performance of the Board as a whole and to assess the quality, quantity and timeliness of flow of information between the Management of the Company and the Board of Directors. The Non-Independent Directors did not take part in the meeting.

- **Confirmation by the Board of Directors:**

In the opinion of the Board, the Independent Directors fulfil the conditions specified under the Act and the Listing Regulations and are independent of the management.

(g) Number of Shares and Convertible Instruments held by Non-Executive Directors:

Name of Director	Designation	DIN	Number of Equity Shares held as on March 31, 2024
Dr. Archana Hingorani	Independent Director and Chairperson	00028037	NIL
Mr. Narayan Gangadhar	Managing Director and Chief Executive Officer	09298665	NIL
Mr. Gourav Munjal	Whole Time Director and Chief Financial Officer	06360031	10,500
Ms. Nirali Sanghi	Independent Director	00319389	NIL
Mr. Milin Mehta	Independent Director	01297508	NIL
Mr. Ravindra Garikipati	Independent Director	00984163	NIL

(h) Details of skills/expertise/competence of the Board of Directors:

Your Company recognises the importance of having a Board comprising of Directors who have a range of experiences, capabilities and diverse points of view. This helps in creating an effective and well-rounded Board. The Board of Directors of the Company comprise of qualified members who bring in the required skills, competence and expertise that allow them to make

effective contribution to the Board and its Committees. In this regard, your Company has adopted the policy on Board Diversity and the same can be accessed on web link <https://www.5paisa.com/investor-relations>.

Following is the list of Core Areas of Skills/Expertise/Competencies identified by the Board of Directors as required in the context of its business(es) and sector(s) for it to function effectively and those actually available with the board.

Skills/Expertise/Competencies	Description
Knowledge of the Sector	Expertise with respect to the sector the organization operates in. Has an understanding of the 'big picture' in the given industry and recognizes the development of industry segments, trends, emerging issues and opportunities.
Accounting and Finance	The Company uses various financial metrics to measure its performance. Accurate Financial Reporting and Robust Auditing are critical to its success. The Company expects its Directors to have an understanding of Finance and Financial Reporting Processes.
Corporate Governance and Compliances	Devise systems for compliance with a variety of regulatory requirements, reviewing compliance and governance practices for a long-term sustainable growth of the Company and protecting stakeholders' interest.

Skills/Expertise/ Competencies	Description
Marketing Experience	Expertise with respect to the geography the organization operates in. Understands the macro-economic environment, the nuances of the business, consumers and trade in the geography and has the knowledge of the regulations and legislations of the market(s) the business operates in.
Strategy Development and Implementation	Ability in developing strategies to increase market share through innovation, build better brand experience for customers, improve prospective customer engagement levels and help establish active customers become loyal brand followers.
Information Technology	Expertise with respect to business specific technologies. Has experience and adds perspective on the future ready skills required by the organization such as Digital, Sustainability etc.
Stakeholders Relationship	Provides a diversity of views to the board that is valuable to manage our customer, consumer, employee, key stakeholder or shareholders.
Risk Management System	1. Ability to identify key risks for the business in a wide range of areas including legal and regulatory. 2. Ability to understand and oversee various risks facing the Company and ensure that appropriate policies and procedures are in place to effectively manage risk.
CEO/Senior Management Experience/ Leadership	Is or has been the Chief Executive Officer, Chief Operating Officer or held any other leadership position in an organization leading to significant experience in strategy or business management. Brings ability to identify and assess strategic opportunities and threats in the context of the business.

The table below highlights the Core Areas of Skills/Expertise/Competencies of the Board members. However, absence of mention of a skill/expertise/competency against a member's name does not necessarily indicate that the member does not possess that competency or skill.

Skills/Expertise/Competence	Dr. Archana Hingorani	Mr. Narayan Gangadhar	Mr. Gourav Munjal	Ms. Nirali Sanghi	Mr. Milin Mehta	Mr. Ravindra Garikipati
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	✓	✓	✓	✓	✓	✓

(i) Board Effectiveness Evaluation:

Pursuant to the provisions of the Listing Regulations and the Act, Board effectiveness evaluation involving evaluation of the Board of Directors, its Committees and Individual Directors, including the role of the Board Chairperson, was conducted during the year.

Feedback was sought by way of a structured questionnaire covering various aspects of the functioning of the Board and its Committee, such as, adequacy of the constitution and composition of the Board and its Committees, processes followed at the meeting, Board's functioning, etc. Similarly, for evaluation of Individual Directors' performance, the questionnaire covered

various aspects like his/her contribution in Board and Committee meetings, knowledge to perform role, managing relationship, etc.

The Independent Directors discussed the performance of Non-Independent Directors and Board as a whole. The Nomination and Remuneration Committee has also carried out evaluation of every Director's performance. The performance evaluation of all Independent Directors has been done by entire Board, excluding the Director being evaluated.

The Directors expressed their satisfaction with the evaluation process.

(j) Board Procedures:

The Company Secretary supports the Board to ensure that it has policies, processes, information, time and resources it needs to function effectively and efficiently. The Company Secretary is responsible for collation, review and distribution of all papers submitted to the Board and Committees thereof for consideration.

The Company Secretary is also responsible for preparation of the Agenda and convening of the Board and Committee Meetings. The required information, including information as enumerated in Part A of Schedule II of the Listing Regulations is made available to the Board of Directors for discussions and consideration at Board Meetings. A detailed Agenda, setting out the business to be transacted at the Meeting(s), supported by detailed Notes and Presentation(s) if any, is sent to each Director at least seven days before the date of the Board Meeting(s) and of the Committee Meeting(s) except where Meeting(s) have been convened at a shorter notice to transact urgent business.

With a view to leverage technology and reduce paper consumption, the agenda papers for the Board and Committee Meetings are disseminated electronically on a real-time basis, by uploading them on a secured digital application, thereby eliminating circulation of printed agenda papers. The application meets high standards of security and integrity that are required for storage and transmission of Board/Committee Agenda and Pre-reads in electronic form.

The Board meets atleast once in a quarter to review financial results and operations of the Company. In addition to the above, the Board also meets as and when necessary to address specific issues concerning the businesses of your Company. Video Conferencing facilities are provided to enable Director(s) who are unable to attend the Meeting(s) in person, to participate in the Meeting.

The Company Secretary attends all the Meetings of the Board and its Committees, either in the capacity of Secretary of the Board/Committees or as a Member of the Committee. The Company Secretary advises/assures the Board and its Committees on compliance and governance principles and ensures appropriate recording of minutes of the Meetings. The Board/Committees, at their discretion, invite Senior Management Personnel and other employees of the Company and/or external Advisors to any of their meetings.

The interaction with the Board is not limited only to the meetings of the Board and Committees. The Chairperson of the Board actively encourages interactions between the Board Members and the Senior Management outside the meetings to address the issues related to any functional area. Further, the Board also solicits feedback

from the Senior Management. The feedback obtained is objective and accepted by the Board members.

The draft minutes of the Board and its Committees are sent to the members for their comments in accordance with the Secretarial Standard on Meetings of the Board of Directors ("SS-1") issued by the Institute of Company Secretaries of India. Thereafter, the minutes are entered in the minutes book within 30 (Thirty) days of conclusion of the meetings, subsequent to incorporation of the comments, if any, received from the members.

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.

The important decisions taken at the Board/Board-level Committee Meetings are promptly communicated. A report on the action taken on the decisions/suggestions of the previous meeting(s) is placed at the immediately succeeding meeting of the Board/Committee for noting the same.

All recommendations made by the Committees of the Board had been accepted by the Board during the year under review.

(k) Directors and Officers Liabilities Insurance Policy:

Your Company has obtained a Directors and Officers Liabilities Insurance policy covering all Directors and Officers of your Company in respect of any legal action that might be initiated against any Director or Officer of your Company.

CEO/CFO CERTIFICATION

While placing the financial results before the Board in terms of Regulation 33(2) of the Listing Regulations, the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) have certified to the Board *inter alia*, the accuracy of the financial statements and adequacy of internal controls for the financial reporting, in accordance with Regulation 17(8) of the Listing Regulations, pertaining to CEO and CFO certification for the Financial Year ended March 31, 2024. The CEO/CFO Certificate is enclosed at the end of this report as **Annexure – I**.

CODE OF CONDUCT

Your Company is committed to ensure that its business is conducted, in all respects and at all the times, according to ethical, professional and legal standards, which prevail from time to time, in the sector in which Company conducts its business. The Company has laid down Code of Conduct for all the Board Members (including Independent Directors), Senior Management and other Employees of the Company. The Code serves as a source of guiding principles for Directors, Officers and Employees. The Code has been posted on the website of the Company at <https://www.5paisa.com/investor->

relations#Procedure. A declaration signed by the CEO to this effect is enclosed at the end of this Report as **Annexure – II**.

CERTIFICATE FROM COMPANY SECRETARY IN PRACTICE

The Company has obtained a 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 your 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 is enclosed at the end of this report as **Annexure – III**.

INDEPENDENT AUDITOR'S CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

The Company has obtained a certificate from M/s. V. Sankar Aiyar & Co., Chartered Accountants, Statutory Auditors of the Company, as required under Listing Regulations, confirming compliance with the conditions of corporate governance as per

the provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The certificate is enclosed at the end of this report as **Annexure – IV**.

REMUNERATION OF DIRECTORS

The Nomination and Remuneration Committee (NRC) of the Board has framed a policy on selection and appointment of directors and senior management and their remuneration which has been approved by the Board upon recommendation of the NRC. The remuneration of Directors is based on this policy. The said policy is available on the website of the Company at <https://www.5paisa.com/investor-relations>.

Details of Remuneration paid to Directors during FY 2023-24 and details of number of shares held by Directors and employee stock options granted to Directors as on March 31, 2024 is as under:

Name of the Director	Salary and Perquisites	Contribution of Funds	Performance Linked Variable Incentive	Commission	Sitting Fees	Stock Options Granted	No. of Equity Shares held
Dr. Archana Hingorani	NA	NIL	NIL	NA	9,50,000	NA	NIL
Mr. Narayan Gangadhar*	2,56,89,247	NIL	NIL	NIL	NA	15,00,000	NIL
Mr. Gourav Munjal	70,37,904	NIL	NIL	NIL	NA	1,75,000#	10,500
Ms. Nirali Sanghi	NA	NIL	NIL	NA	9,30,000	NA	NIL
Mr. Milin Mehta	NA	NIL	NIL	NA	9,70,000	NA	NIL
Mr. Ravindra Garikipati	NA	NIL	NIL	NA	8,95,000	NA	NIL
Mr. Prakarsh Gagdani**	1,96,84,429	NIL	NIL	NIL	NA	NIL	3,000

* Mr. Narayan Gangadhar was appointed as Managing Director effective July 13, 2023 and was granted 15,00,000 stock options under the 5paisa Capital Limited Employee Stock Option Scheme 2023 in January 2024.

** Mr. Prakarsh Gagdani was re-designated as a Chief Business Officer w.e.f. July 13, 2023 by continuing to act as a Whole Time Director. Further he stepped down as a Chief Business Officer and Whole Time Director w.e.f. December 31, 2023.

Mr. Gourav Munjal was granted 1,75,000 ESOPs under 5paisa Capital Limited Employee Stock Option Scheme 2017.

All the Non-Executive Independent Directors of the Company are remunerated by way of Sitting Fees. During the year under review, the Independent Directors and Non-Executive Directors were paid ₹ 75,000/- (Rupees Seventy Five Thousand only) towards sitting fees for attending each of the Board Meeting and Audit Committee Meeting and also were paid ₹ 20,000/- (Rupees Twenty 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.

Your 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 and Independent Directors with your Company, except the payment of sitting fees for attending meeting of the Board and its Committees.

During the FY 2023-24, the Company did not advance loan to any of its Directors. Further, the Company does not have a practice of paying severance fees to any of its Directors.

The Company's Board consisted of 2 (Two) Executive Directors as on March 31, 2024 viz. Mr. Narayan Gangadhar - Managing Director and Chief Executive Officer (CEO) and Mr. Gourav Munjal - Whole Time Director and Chief Financial Officer (CFO). The NRC comprising of Non-Executive Independent Directors recommends to the Board the remuneration payable to the Executive Director within the overall limits approved by the Members of the Company. The remuneration to Executive Directors comprises of 3 (Three) broad terms – fixed remuneration, variable remuneration in the form of performance incentive and commission on consolidated net profits of the Company. The performance incentive is based on the prevailing policy of the Company. Annual revisions in the remuneration are within the limits approved by the Members.

Appointment of Managing Director and Whole-time Director is in line with relevant section of the Act and the term is for a period of five years with the notice period of three to six months from either side, and there is no provision of payment of severance fees.

The Nomination and Remuneration Committee also administers Company's Stock Option plans. During the period under review, 5,55,405 Stock Options were exercised by eligible employees. Further information is disclosed in Directors' Report.

SENIOR MANAGEMENT

A. Following Individuals comprise of Senior Management of your Company as on March 31, 2024:

Sr. No.	Name of Senior Management	Designation
1.	Mr. Narayan Gangadhar*	Managing Director and Chief Executive Officer (CEO)
2.	Mr. Gourav Munjal	Whole-time Director and Chief Financial Officer (CFO)
3.	Mrs. Namita Godbole	Company Secretary and Chief Compliance Officer
4.	Mr. Ameya Agnihotri	Chief Technology Officer (CTO)
5.	Mr. Arbind Sinha#	Chief Risk Officer (CRO)
6.	Mr. Yogesh Maroli	Chief Information Security Officer (CISO)
7.	Mr. Yashpal Chopra@	Head – Risk Management
8.	Mr. Mehul Kumar Jain	Head – Product
9.	Mr. Yash Upadhyay§	Deputy Vice President – Strategy
10.	Mr. Sudhir Kumar Jha	Head – Business Revenue
11.	Mrs. Rajeshree Jadhav	Head – Digital Sales
12.	Mr. Vikrant Birajdar&	Head – Human Resources
13.	Mr. Manish Karia	Head – Performance Marketing & SEO Management

Notes:

*Mr. Narayan Gangadhar stepped down as a Managing Director & Chief Executive Officer of the Company vide resignation letter dated May 30, 2024 w.e.f. the close of business hours of August 28, 2024.

#Mr. Arbind Sinha stepped down as a Chief Risk Officer (CRO) of the Company w.e.f. the close of business hours of July 02, 2024.

@Mr. Yashpal Chopra has been appointed as Chief Risk Officer (CRO) of the Company w.e.f. July 13, 2024.

§Mr. Yash Upadhyay stepped down as a Deputy Vice President – Strategy of the Company w.e.f. the close of business hours of August 09, 2024.

& Mr. Vikrant Birajdar stepped down as a Head – Human Resources of the Company w.e.f. July 31, 2024.

B. Changes in Senior Management during the Financial Year 2023-24:

Mr. Prakarsh Gagdani stepped down as a Whole Time Director and Chief Business Officer of the Company w.e.f. December 31, 2023.

COMMITTEES OF THE BOARD

The Board Committees play a crucial role in the governance structure of the Company.

The Board Committees are set up under the formal approval of the Board to carry out clearly defined roles which are considered to be performed by Members of the Board, as part of good governance practices. Each Committee is guided by its Charter or Terms of Reference, which provide for the scope, powers & duties and responsibilities.

The Chairman/Chairperson 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 discussion/noting. The Board Committees also request special invitees to join the Meeting, as appropriate. During the year, all recommendations of the Committees were approved by the Board.

As on March 31, 2024, the Board has constituted following Committees:

- A. Audit Committee
- B. Nomination and Remuneration Committee
- C. Stakeholders Relationship Committee
- D. Risk Management Committee
- E. Corporate Social Responsibility (CSR) Committee
- F. Finance Committee
- G. Environmental, Social and Governance (ESG) Committee
- H. Information Technology (IT) Committee
- I. Cyber Security Committee
- J. Independent Directors (ID) Committee

Details on the role and composition of these Committees, including the number of meetings held during the financial year and the related attendance are provided below. Composition of the Committees is also posted on the website of the Company at <https://www.5paisa.com/investor-relations#Committees>.

A. AUDIT COMMITTEE

The Audit Committee was constituted by the Board of Directors at its meeting held on March 31, 2017. The Committee was last re-constituted by the Board of Directors at its meeting held on July 12, 2023.

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 your Company's established

systems and processes for internal financial controls and governance and reviews your Company's statutory and internal audit processes.

COMPOSITION, MEETINGS AND ATTENDANCE

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. All the members of the Committee, including the Chairman are Independent Directors. The Chairman of the Committee possesses professional qualifications in the field of Finance and Accounting. As on March 31, 2024, the Audit Committee is comprised of 4 (Four) Independent Directors who are financially literate and possess a sound knowledge of finance and accounting practices. The Chairperson of the Board is a Member of the Committee but does not chair the Committee.

The Company Secretary of the Company is the Secretary to the Committee. The Committee invites representative of Internal Auditors and Statutory Auditors and any other such executives to be present at the meetings of the Committee.

The Chairman of the Audit Committee (Mr. Milin Mehta) was present at the last Annual General Meeting of your Company held on August 31, 2023.

The Audit Committee met 4 (Four) times during the year on May 01, 2023; July 12, 2023; October 18, 2023 and January 11, 2024. The necessary quorum was present at the meetings. The gap between two Meetings did not exceed 120 days. Composition of the Committee and attendance of the members at the meetings held during the year is as follows:

Name of Member	Category	Nature of Membership	No. of Meetings	
			Held	Attended
Mr. Milin Mehta	Independent Director	Chairman	4	4
Ms. Nirali Sanghi	Independent Director	Member	4	4
Dr. Archana Hingorani	Independent Director	Member	4	4
Mr. Ravindra Garikipati*	Independent Director	Member	2	2

*Mr. Ravindra Garikipati was appointed as Member of the Committee w.e.f. July 13, 2023 and the detail of attendance pertains to meetings held after such date.

TERMS OF REFERENCE

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 Committee is governed by a Charter, which is in line with the regulatory requirements mandated by the Act and the Listing Regulations. The terms of reference of the Audit Committee, *inter alia*, includes the following:

1. Oversight of your Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, re-appointment and replacement, remuneration and terms of appointment of auditors of your Company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Directors' responsibility statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Act;
 - b. Changes, if any, in accounting policies and practices and reasons for the same;
 - c. Major accounting entries involving estimates based on the exercise of judgment by management;
 - d. Significant adjustments made in the financial statements arising out of audit findings;
 - e. Compliance with listing and other legal requirements relating to financial statements;
 - f. Disclosure of any related party transactions;
 - g. Qualifications/modified opinions in the draft audit report;
5. Reviewing, the quarterly financial statements with the management before submission to the Board for approval;

6. Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds 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;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of your Company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of your Company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Monitoring the end use of funds raised through public offers and related matters, if any;
13. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
14. 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;
15. Discussion with internal auditors of any significant findings and follow up thereon;
16. 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;
17. 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;
18. 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 your Company;
19. 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;
20. To establish and review the functioning of the whistle blower mechanism;
21. Approval of appointment of the Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
22. Related Party Transactions:
 - a. All related party transactions shall require prior approval of the Audit Committee.
 - b. The Audit Committee may grant omnibus approval for related party transactions proposed to be entered into by your Company subject to the following conditions, namely:
 - i. The criteria for granting the omnibus approval shall be specified which shall be in line with your 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;
 - ii. 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 your Company;
 - iii. Such omnibus approval shall not be made for transactions in respect of selling or disposing of the undertaking of your Company;
 - c. The omnibus approval shall specify:
 - i. 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;
 - ii. The extent and manner of disclosures to be made to the Audit Committee at the time of seeking omnibus approval;
 - iii. The indicative base price or current contracted price and the formula for variation in the price if any;

- iv. Such other conditions as the Audit Committee may deem fit;

Provided that where the need for related party transactions cannot be foreseen and aforesaid details are not available, the committee may grant omnibus approval for such transactions subject to their value not exceeding ₹ 1 crore per transaction.

- d. The Audit Committee shall review, at least on a quarterly basis, the details of related party transactions entered into by your Company pursuant to each of the omnibus approvals given;
- e. 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;
- f. 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 are consolidated with your Company and placed before the shareholders at the general meeting for approval;

23. Review of:

- a. Management discussion and analysis of financial condition and results of operations;
- b. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- c. Management letters/letters of internal control weaknesses issued by the statutory auditors;
- d. Internal audit reports relating to internal control weaknesses;
- e. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee;
- f. Statement of deviations including:
- i. Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI Listing Regulations;
- ii. 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;

- g. The utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding ₹ 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;
- h. 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 your Company;
- i. Carrying out any other terms of reference as may be decided by the Board or specified/provided under the Act or the Listing Regulations or by any other regulatory authority.

B. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee was constituted by the Board of Directors at its meeting held on March 31, 2017. The Committee was last re-constituted by the Board of Directors at its meeting held on July 12, 2023.

COMPOSITION, MEETINGS AND ATTENDANCE

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. As on March 31, 2024, the Nomination and Remuneration Committee comprised of 3 (Three) members, where all members, including the Chairperson are Independent Directors. The Chairperson of the Board is a Member of the Committee but does not chair the Committee.

The Company Secretary of the Company is the Secretary to the Committee. Ms. Nirali Sanghi, Chairperson of the NRC was present at the last Annual General Meeting of your Company held on August 31, 2023.

The Nomination and Remuneration Committee met 5 (Five) times during the year on May 01, 2023; May 24, 2023; July 12, 2023; November 10, 2023 and January 30, 2024. The necessary quorum was present in all meetings.

The Composition of the NRC and attendance of the members at the meetings held during the year is as follows:

Name of Member	Category	Nature of Membership	No. of Meetings	
			Held	Attended
Ms. Nirali Sanghi	Independent Director	Chairperson	5	5
Dr. Archana Hingorani	Independent Director	Member	5	5
Mr. Milin Mehta*	Independent Director	Member	3	3
Mr. Ravindra Garikipati	Independent Director	Member	5	5

*Mr. Milin Mehta stepped down as a Member of the Committee w.e.f. July 13, 2023 and the detail of attendance pertains to meetings held up to such date.

TERMS OF REFERENCE

The scope of the NRC includes the references made under Regulation 19 of Listing Regulations, as amended, read with section 178 and other applicable provisions of Act besides the other terms that may be referred by the Board of Directors. The Brief terms of reference of the Nomination and Remuneration Committee, *inter alia*, includes the following:

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 your 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.

C. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee was constituted by the Board of Directors at its meeting held on October 13, 2017. The Committee was last re-constituted by the Board of Directors at its meeting held on October 18, 2023.

COMPOSITION, MEETINGS AND ATTENDANCE

The Stakeholders Relationship Committee ("SRC") of the Board is constituted in compliance with the requirements of Section 178 of the Act and Regulation 20 of the Listing Regulations. The Stakeholders Relationship Committee is governed by a Charter in line with the Act and the Listing Regulations.

As on March 31, 2024, the Stakeholders Relationship Committee comprised of 3 (Three) members, where majority (2/3rd) of the members, including the Chairperson are Independent Directors. The Company Secretary of the Company is the Secretary to the Committee.

The Stakeholders Relationship Committee met 1 (One) time during the year on March 28, 2024. The Composition of the Committee and attendance of the members at the meetings held during the year is as follows:

Name of Member	Category	Nature of Membership	No. of Meetings	
			Held	Attended
Ms. Nirali Sanghi	Independent Director	Chairperson	1	1
Dr. Archana Hingorani	Independent Director	Member	1	1
Mr. Prakarsh Gagdani*	Whole Time Director and CBO	Member	0	0
Mr. Narayan Gangadhar [^]	Managing Director and CEO	Member	1	1

* Mr. Prakarsh Gagdani stepped down as a Member of the Committee w.e.f. December 31, 2023 and the detail of attendance pertains to meetings held up to such date.

[^] Mr. Narayan Gangadhar was appointed as a Member of the Committee w.e.f. December 31, 2023 and the detail of attendance pertains to meetings held after such date.

TERMS OF REFERENCE

The Committee is governed by a Charter, which is in line with the regulatory requirements mandated by the Act and the Listing Regulations. The terms of reference of the Stakeholders Relationship Committee, *inter alia*, includes the following:

1. To consider and resolve stakeholders and investors grievances;
2. It shall consider and resolve the grievances of the security holders of your 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 your 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 your Company;
5. To review or address the complaints received by your 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 your Company in compliance investors for issues of duplicate/replacement/consolidation/sub-division and other purposes for the shares, debentures and securities of your Company;
7. To monitor and expedite the status and process of dematerialization and dematerialization of shares, debentures and securities of your Company;
8. To give directions for monitoring the stock of blank stationery and for printing of stationery required by the secretarial department of your Company, from time to time, for issuance of share certificates, debenture certificates, allotment letters, warrants, pay orders, cheques and other related stationery;
9. To review the status of unpaid dividend, interest and undelivered share certificates and measures taken by your 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 your Company.

SUMMARY OF COMPLAINTS DURING FY 2023-24

No complaints were received from shareholder/investors during the financial year ended March 31, 2024. There were no pending complaints as on March 31, 2024.

NAME AND DESIGNATION OF THE COMPLIANCE OFFICER

The name, designation and address of Compliance Officer of your Company is as under:

Name and designation :	Mrs. Namita Godbole, Company Secretary and Chief 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. RISK MANAGEMENT COMMITTEE

With an embedded approach to Risk Management which puts risk and opportunity assessment at the core of the Board's Agenda, the Risk Management Committee was last re-constituted by the Board of Directors at their meeting held on November 10, 2023, in line with the Listing Regulations.

COMPOSITION, MEETINGS AND ATTENDANCE

As on March 31, 2024, the Risk Management Committee comprises a combination of Board Members and Senior Executives of the Company (majority being board members) and 2 (Two) Independent Directors. The Company Secretary of the Company is the Secretary to the Committee.

The Committee met 2 (Twice) during the year on July 12, 2023 and January 05, 2024. Composition of the Committee and attendance of the members at the meetings held during the year is as follows:

Name of Member	Category	Nature of Membership	No. of Meetings	
			Held	Attended
Dr. Archana Hingorani	Independent Director	Chairperson	2	2
Mr. Milin Mehta*	Independent Director	Member	1	1
Mr. Narayan Gangadhar*	Managing Director and CEO	Member	1	1
Mr. Prakarsh Gagdani [†]	Whole Time Director and CBO	Member	1	1
Mr. Gourav Munjal	Whole Time Director and CFO	Member	2	2
Mr. Arbind Singa [#]	Head of Operations and Risk	Member	1	1
Mr. Ameya Agnihotri [#]	Chief Technology Officer	Member	1	1

* Mr. Milin Mehta and Mr. Narayan Gangadhar were appointed as a Members of the Committee w.e.f. July 13, 2023 and the detail of attendance pertains to meetings held after such date.

[†] Mr. Prakarsh Gagdani stepped down as a Member of the Committee w.e.f. November 10, 2023 and the detail of attendance pertains to meetings held up to such date.

[#] Mr. Arbind Sinha and Mr. Ameya Agnihotri were appointed as Members of the Committee w.e.f. November 10, 2023 and the details of attendance pertains to meetings held after such date.

TERMS OF REFERENCE

The Committee is governed by a Charter, which is in line with the regulatory requirements mandated by the Listing Regulations. The terms of reference of the Risk Management Committee, *inter alia*, includes the following:

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 your Company including liquidity risk;
3. To ensure there is an embedded, robust process in place throughout your 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 your Company through adequate induction, training and awareness programs;
8. To periodically monitor and review your Company's key business risks and risk mitigation plans, and advise the Board of business risks which could materially impact your 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 your 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;
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.

E. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The Corporate Social Responsibility ("CSR") Committee was constituted on April 20, 2021 and the Committee was last re-constituted by the Board of Directors at their meeting held on October 18, 2023.

The role of CSR Committee includes formulating and recommending to the Board the CSR Policy and activities to be undertaken by the Company, recommending the amount of expenditure to be incurred on CSR activities of the Company, reviewing the performance of the Company in the areas of CSR.

COMPOSITION, MEETINGS AND ATTENDANCE

As on March 31, 2024, the Corporate Social Responsibility Committee comprises of a combination of Executive and Non-Executive Directors. The Chairperson of the Committee is an Independent Director and the Company Secretary of the Company is the Secretary to the Committee.

The Committee met 2 (Twice) during the year on May 01, 2023 and March 28, 2024. Composition of the Committee and attendance of the members at the meetings held during the year is as follows:

Name of Member	Category	Nature of Membership	No. of Meetings	
			Held	Attended
Mr. Milin Mehta*	Independent Director	Chairman	1	1
Dr. Archana Hingorani**	Independent Director	Chairperson	1	1
Ms. Nirali Sanghi [^]	Independent Director	Member	1	1
Mr. Prakarsh Gagdani ^{^^}	Whole Time Director and CBO	Member	1	1
Mr. Narayan Gangadhar [^]	Managing Director and CEO	Member	1	1
Mr. Gourav Munjal	Whole Time Director and CFO	Member	2	2

*Mr. Milin Mehta stepped down as a Chairman of the Committee w.e.f. July 13, 2023 and the detail of attendance pertains to meetings held up to such date.

**Dr. Archana Hingorani was appointed as Chairperson of the Committee w.e.f. July 13, 2023 and the detail of attendance pertains to meetings held after such date.

[^]Ms. Nirali Sanghi and Mr. Narayan Gangadhar were appointed as Member of the Committee w.e.f. July 13, 2023 and the detail of attendance pertains to meetings held after such date.

^{^^}Mr. Prakarsh Gagdani stepped down as a Member of the Committee w.e.f. December 31, 2023 and the detail of attendance pertains to meetings held up to such date.

TERMS OF REFERENCE

The terms of reference of the Corporate Social Responsibility (CSR) Committee, *inter alia*, includes the following:

1. Formulating and recommending to the Board, the CSR Policy which shall indicate the activities to be undertaken by your Company as specified in Schedule VII to the Act. The CSR policy of your Company may be accessed on your 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;
3. Instituting a transparent monitoring mechanism for implementation of the CSR activities to be undertaken by your Company;
4. Such other functions, as may be entrusted to it by the Board of Directors, from time to time.

F. FINANCE COMMITTEE (NON-MANDATORY COMMITTEE)

The Finance Committee was constituted on January 11, 2018 and was last re-constituted by the Board of Directors at their meeting held on October 18, 2023.

COMPOSITION, MEETINGS AND ATTENDANCE

The Finance Committee met 14 (Fourteen) times during the year on May 09, 2023; June 22, 2023; July 17, 2023; August 29, 2023; November 30, 2023; December 13, 2023; January 04, 2024; January 19, 2024; February 02, 2024; February 10, 2024; February 13, 2024; February 22, 2024; March 04, 2024 and March 26, 2024. Composition of the Committee and attendance of the members at the meetings held during the year is as follows:

Name of Member	Category	Nature of Membership	No. of Meetings	
			Held	Attended
Mr. Prakarsh Gagdani*	Whole Time Director and CBO	Chairman	14	6
Mr. Narayan Gangadhar [^]	Managing Director and CEO	Chairman	14	12
Mr. Gourav Munjal	Whole Time Director and CFO	Member	14	14

* Mr. Prakarsh Gagdani stepped down as a Chairman of the Committee w.e.f. December 31, 2023 and the detail of attendance pertains to meetings held up to such date.

[^] Mr. Narayan Gangadhar was appointed as Chairman of the Committee w.e.f. July 13, 2023 and the detail of attendance pertains to meetings held after such date.

TERMS OF REFERENCE

The terms of reference of the Finance Committee, *inter-alia*, includes the following:

1. To borrow funds for and on behalf of your Company up to the maximum amount as determined by the Board of Directors of your Company from time to time;
2. To invest funds of your 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 your 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;
3. To allot securities of your Company including equity shares, preference shares, debt securities, bonds, etc. from time to time;
4. To borrow funds for meeting the short-term requirements of funds of your Company by issuing Commercial Paper including redemption and buyback of Commercial Paper and also to list the same as per the SEBI Regulations;
5. To avail intraday facilities from Banks/Financial Institution upto ₹ 3,000 Crores (Rupees Three Thousand Crore);
6. 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. up to such limit, if applicable, as delegated/decided by the Board from time to time.
7. 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 oversubscription, 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;

8. Other Routine Matters.

G. ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) COMMITTEE

The Environmental, Social and Governance ("ESG") Committee was constituted on December 06, 2022 and

was last re-constituted by the Board of Directors at their meeting held on October 18, 2023.

COMPOSITION, MEETINGS AND ATTENDANCE

The Environmental, Social and Governance (ESG) Committee met 1 (One) time during the year on March 28, 2024. Composition of the Committee and attendance of the members at the meetings held during the year is as follows:

Name of Member	Category	Nature of Membership	No. of Meetings	
			Held	Attended
Ms. Nirali Sanghi	Independent Director	Chairperson	1	1
Mr. Narayan Gangadhar*	Managing Director and CEO	Member	1	1
Mr. Gourav Munjal	Whole Time Director and CFO	Member	1	1
Ms. Namita Godbole	Company Secretary & Chief Compliance Officer	Member	1	1

* Mr. Narayan Gangadhar was appointed as Member of the Committee w.e.f. January 01, 2024 and the detail of attendance pertains to meetings held after such date.

TERMS OF REFERENCE

The terms of reference of the Environmental, Social and Governance (ESG) Committee, *inter alia*, includes the following:

1. Ensure that your company has an ESG Strategy and that it remains fit for purpose;
2. Ensure that objectives for ESG activities are in place and that key metrics are monitored and reported on;
3. Ensure compliance with relevant legal and regulatory requirements and industry standards and guidelines applicable to ESG matters;
4. 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;
5. 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 your Company; and determine whether and how these are incorporated into or reflected in our Company's ESG policies and objectives;
6. Approve any projects developed in response to the ESG strategy;

7. Identify, manage and mitigate or eliminate ESG risks in connection with your Company's operations and corporate activity;
8. Approve all internal and external ESG reporting including information to be included in the annual report;
9. Review the results of any reviews or independent audits of your Company's performance in regard to ESG matters and review any strategies and action plans developed by management in response to issues raised;
10. Make recommendations to the Board on any of the matters listed above that the Committee considers appropriate.

H. INFORMATION TECHNOLOGY (IT) COMMITTEE

The Information Technology ("IT") Committee was constituted on May 01, 2023 and was last re-constituted by the Board of Directors at their meeting held on November 10, 2023.

COMPOSITION, MEETINGS AND ATTENDANCE

The Information Technology (IT) Committee met 2 (Twice) during the year on August 18, 2023 and March 28, 2024. Composition of the Committee and attendance of the members at the meetings held during the year is as follows:



Name of Member	Category	Nature of Membership	No. of Meetings	
			Held	Attended
Mr. Ravindra Garikipati	Independent Director	Chairman	2	2
Mr. Milin Mehta	Independent Director	Member	2	2
Mr. Narayan Gangadhar	Managing Director & CEO	Member	2	2
Mr. Prakarsh Gagdani*	Whole Time Director & CBO	Member	0	0
Mr. Ameya Agnihotri*	Chief Technology Officer	Member	1	1

Mr. Prakarsh Gagdani stepped down as a Member of the Committee w.e.f. July 13, 2023 and the detail of attendance pertains to meetings held up to such date.

* Mr. Ameya Agnihotri was appointed as a Member of the Committee w.e.f. November 10, 2023 and the detail of attendance pertains to meetings held after such date.

TERMS OF REFERENCE

The terms of reference of the Information Technology (IT) Committee, *inter alia*, includes the following:

- Ensure that the organization has put an effective IT strategic planning process in place.
- Guide in preparation of IT Strategy, containing overall strategy of the organization *vis-à-vis* adoption of IT, and ensure that the IT Strategy aligns with the overall strategy of the organization towards accomplishment of its business objectives.
- Ensure that the IT Governance and Information Security Governance structure fosters accountability, effectiveness & efficiency with well-defined objectives and unambiguous responsibilities for each level in the organization.
- Ensure putting in place processes for assessing and managing IT risks, including cyber security risks.
- Ensure that the budgetary allocations for the IT function (including for IT security) are commensurate with the organization's IT maturity, digital depth, threat environment and industry standards and are utilised in a manner intended for meeting the stated objectives.
- Oversight over the Business Continuity Planning and Disaster Recovery Management of the organization.

I. CYBER SECURITY COMMITTEE

The Cyber Security Committee was constituted on May 01, 2023 and was last re-constituted by the Board of Directors at their meeting held on November 10, 2023.

COMPOSITION, MEETINGS AND ATTENDANCE

The Cyber Security Committee met 3 (Thrice) during the year on August 18, 2023; October 18, 2023 and March 28, 2024. Composition of the Committee and attendance of the members at the meetings held during the year is as follows:

Name of Member	Category	Nature of Membership	No. of Meetings	
			Held	Attended
Mr. Ravindra Garikipati	Independent Director	Chairman	3	3
Mr. Milin Mehta	Independent Director	Member	3	3
Mr. Narayan Gangadhar*	Managing Director & CBO	Member	3	3
Mr. Ameya Agnihotri^	Chief Technology Officer	Member	1	1

* Mr. Narayan Gangadhar was appointed as a Member of the Committee w.e.f. July 13, 2023 and the detail of attendance pertains to meetings held after such date.

^ Mr. Ameya Agnihotri was appointed as a Member of the Committee w.e.f. November 10, 2023 and the detail of attendance pertains to meetings held after such date.

TERMS OF REFERENCE

The terms of reference of the Cyber Security Committee, *inter alia*, includes the following:

1. Facilitating development of information security policies, implementation of information security policies, standards and procedures to ensure that all identified information security risks are managed within the organization's risk appetite.
2. Approving and monitoring major information security projects and the status of information security plans and budgets, establishing priorities, approving standards and procedures.
3. Supporting the development and implementation of information security management programme.
4. Reviewing information/cyber security incidents, various information security assessments,

monitoring and mitigation activities across the organization.

5. Reviewing security awareness programmes.
6. Assessing new developments or issues relating to cyber/information security.
7. Reporting to the Board/Board level Committee on information security activities.

J. INDEPENDENT DIRECTORS (ID) COMMITTEES

The Independent Directors ("ID") Committee was constituted on December 06, 2022.

COMPOSITION, MEETINGS AND ATTENDANCE

The Independent Directors Committee met 1 (One) time during the year on March 28, 2024. Composition of the Committee and attendance of the members at the meetings held during the year is as follows:

Name of Member	Category	Nature of Membership	No. of Meetings	
			Held	Attended
Mr. Ravindra Garikipati	Independent Director	Chairman	1	1
Ms. Nirali Sanghi	Independent Director	Member	1	1
Mr. Milin Mehta	Independent Director	Member	1	1
Dr. Archana Hingorani	Independent Director	Member	1	1

There was no change in the Composition of the Committee during the Financial Year 2023-24.

TERMS OF REFERENCE

The terms of reference of the Independent Directors Committee, *inter alia*, includes the following:

1. 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;
2. To assess the Quality, Quantity and Timeliness of flow of Information between your Company's

Management and the Board that is necessary for the Board to effectively and reasonably perform their duties;

3. To deliberate on improving corporate credibility and governance standards and help in managing risks;
4. 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;
5. Any other matter as may be deemed fit by the Independent Directors.

GENERAL BODY MEETINGS

A. ANNUAL GENERAL MEETINGS

The following table gives the details of the last 3 (Three) Annual General Meetings of your Company:

Date of AGM	Location	Time	
August 31, 2023	Video Conferencing or Other Audio-Visual Means (VC/OAVM)	02:00 P.M.	<ol style="list-style-type: none"> 1. Approval of 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. 2. Approval of offer or invitation to subscribe to the Non-Convertible Debentures on private placement basis. 3. Approval for increase the limits of borrowing u/s 180(1)(c) of the Companies Act, 2013.



Date of AGM	Location	Time	
			<ol style="list-style-type: none"> 4. Approval for increase the limit u/s 180(1)(a) of the Companies Act, 2013. 5. Consideration and Approval for adoption of 5Paisa Capital Limited Employee Stock Options Scheme named 5Paisa ESOS – 2023.
July 11, 2022	Video Conferencing or Other Audio-Visual Means (VC/OAVM)	11:00 AM	<ol style="list-style-type: none"> 1. Re-appointment of Mr. Gourav Munjal (DIN: 06360031) as a Whole-Time Director of the Company w.e.f. January 16, 2023. 2. Re-appointment of Ms. Nirali Sanghi as an Independent Director of the Company. 3. Approval of offer or invitation to subscribe to the Non-Convertible Debentures on private placement basis. 4. Approval of amendment in the '5paisa Employee Stock Option Scheme 2017'.
June 11, 2021	Video Conferencing or Other Audio-Visual Means (VC/OAVM)	02:00 PM	<ol style="list-style-type: none"> 1. Re-appointment Mr. Prakarsh Gagdani as a Whole-Time Director of the Company. 2. Re-appointment of Dr. Archana Hingorani as an Independent Director of the Company. 3. Approval for increase in ESOP Pool for grant of options and amendment in 5paisa Employees Stock Option Scheme, 2017. 4. Approval of offer or invitation to subscribe to the Non-Convertible Debentures on private placement basis.

B. POSTAL BALLOT

Postal ballots are conducted in accordance with the provisions of Section 110 and 108 and other applicable provisions, if any, of the Companies Act, 2013, read with Rule 20 and Rule 22 of the Companies (Management and Administration) Rules, 2014. Shareholders are provided the facility to vote through e-voting and the postal ballot notice is sent to shareholders as per the permitted mode wherever applicable. Shareholders holding equity shares as on the cut-off date can cast their votes through e-voting or through postal ballot during the voting period fixed for this purpose.

After completion of scrutiny of votes, the scrutinizer submits his report to the Chairman/Chairperson, or any other person authorized by the Chairman/Chairperson and the results of voting by postal ballot are announced within 2 working days of conclusion of the voting period.

The results are displayed on the website of the Company and communicated to the Stock Exchanges, Depositories, and Registrar and Share Transfer Agent. The resolutions, if passed by the requisite majority, are deemed to have been passed on the last date specified for receipt of duly completed postal ballot forms or e-voting.

The Ministry of Corporate Affairs ("MCA") has permitted companies to transact items through postal ballot as per the framework set out in relevant MCA Circulars upto September 30, 2024. In accordance with these circulars,

only e-voting facility is to be provided to all shareholders to cast their votes electronically. Hence, there is no requirement of sending physical copy of Postal Ballot Notice along with postal ballot forms and pre-paid business envelope to shareholders. Further, there is a requirement to publish a notice in the newspapers and arrange for shareholders to register their e-mail address with the company to enable ease of electronic voting process.

During the year under review, approval of Shareholders was obtained by way of conducting Postal Ballot *vide* postal ballot notice dated November 22, 2023 together with explanatory statement. The Board of Directors of the Company had appointed Ms. Aparna Joshi (Membership No: 7172), proprietress of M/s. Aparna Paricharak & Associates, Practising Company Secretary Firm, Thane, as the Scrutinizer for conducting the Postal Ballot through Remote E-voting in a fair and transparent manner.

The results of voting w.r.t following special resolutions passed by the Shareholders by way of postal ballot were declared on December 22, 2023, details of which are as under:

1. Approval for increase in ESOP Pool for grant of options and amendment in 5Paisa Capital Limited Employee Stock Option Scheme - 2017 and 5Paisa Capital Limited Employee Stock Option Scheme – 2023 (collectively referred to as "ESOS Schemes").

Particulars	Number of Valid Votes		Percen-tage (%)
	Remote e-voters	Remote e-votes	
Assent	109	2,50,43,777	99.9961
Dissent	14	975	00.0039
Not Voted	0	0	0
Total	123	2,50,44,752	100

2. Grant of Stock options under the 5Paisa Capital Limited Employee Stock Option Scheme - 2017 and 5Paisa Capital Limited Employee Stock Option Scheme – 2023 (collectively referred to as “ESOS Schemes”), to present and future, permanent employees of holding and or subsidiary company(ies).

Particulars	Number of Valid Votes		Percen-tage (%)
	Remote e-voters	Remote e-votes	
Assent	109	2,50,43,777	99.9961
Dissent	14	975	00.0039
Not Voted	0	0	0
Total	123	2,50,44,752	100

3. Creation, grant, offer and issue of options exceeding one percentage (1%) of the issued capital of the Company under the 5Paisa Capital Limited Employee Stock Option Scheme - 2017 and 5Paisa Capital Limited Employee Stock Option Scheme – 2023 (collectively referred to as “ESOS Schemes”).

Particulars	Number of Valid Votes		Percen-tage (%)
	Remote e-voters	Remote e-votes	
Assent	111	2,50,43,912	99.9966
Dissent	12	840	00.0034
Not Voted	0	0	0
Total	123	2,50,44,752	100

There is no proposal to pass any resolution through postal ballot as on the date of this Report.

C. NATIONAL COMPANY LAW TRIBUNAL (NCLT) CONVENED MEETINGS

During the year under review there was no meeting held as per the order of the National Company Law Tribunal.

PERIODIC REVIEW OF COMPLIANCES OF ALL APPLICABLE LAWS

Your Company follows a system whereby all the acts, rules and regulations applicable to your Company are identified

and compliance with such acts, rules and regulations is monitored by a 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 your Company is placed before the Board on a 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.

MEANS OF COMMUNICATION TO THE STAKEHOLDERS

The primary source of information to the shareholders, customers, analysts and other stakeholders of your Company and to the public at large is through your company's corporate website at <https://www.5paisa.com/investor-relations>.

Quarterly and Annual Financial results are announced in accordance with the Regulation 33 of the Listing Regulations by submitting the same with Stock Exchanges and are also uploaded on the Company's Website along with publishing the same in the newspapers in accordance with Regulation 47 of the Listing Regulations. Quarterly, Half-yearly and Annual Financial Results and other public notices issued to the Members are usually published in Business Standards, Free Press Journal and Navshakti which are widely circulated.

We also regularly make presentations to the Analyst/ Institutional Investors in their meetings held from time to time, transcripts of which are uploaded on your company's website. The schedule of Analyst/Institutional Investors meets are also informed to the public through the Stock Exchanges.

The Annual Report, shareholding pattern, material events, corporate actions, copies of press releases, schedule of analysts/investor meets amongst others, are regularly intimated to the Stock Exchanges and uploaded on your Company's website.

The Board of Directors has approved a policy for determining materiality of events for the purpose of making disclosure to the stock exchanges and the same is available on your 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 your Company are empowered to decide on the materiality of the information for the purpose of making disclosure to the Stock Exchanges.

All the official disclosures made to the stock exchanges are also available on your company's website at <https://www.5paisa.com/investor-relations>.

GENERAL SHAREHOLDERS INFORMATION

Annual General Meeting :	Day, Date and Time - Tuesday, September 10, 2024 at 11:30 A.M. (IST) (Through Video Conferencing/Other Audio-Visual Means as set out in the Notice convening the Annual General Meeting)
Book closure date :	From Wednesday, September 04, 2024 to Tuesday, September 10, 2024
Financial Year :	The Financial Year of the Company is from April 01 to March 31 of every year.
For the year ended March 31, 2024 results were announced on :	First quarter – July 12, 2023 Half Year – October 18, 2023 Third quarter – January 11, 2024 Annual – April 24, 2024
Tentative Schedule for declaration of Financial Results during the Financial Year 2024-25 (Note: The duration mentioned is indicative):	First quarter – Mid July Half Year – Mid October Third quarter – Mid January Annual – End of April/May First Week
Dividend :	During the year under review, your Company has not paid any dividend. The Board of Directors does not propose any dividend at ensuing Annual General Meeting.
Corporate Identity Number :	L67190MH2007PLC289249
ISIN :	INE618L01018
Registrar and Transfer Agent :	Link Intime India Private Limited
Share Transfer System :	As per Listing Regulations, Transfer/Transmission of Equity Shares of the Company can be made only in dematerialized form. In the 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.
Dematerialization of Shares :	As on March 31, 2024, 99.99% of the paid-up share capital of your Company was in dematerialized form. Trading in equity shares of your Company is permitted only in dematerialized form through CDSL and NSDL as per notifications issued by the Securities and Exchange Board of India (SEBI).
Listing details :	<ol style="list-style-type: none"> BSE Limited Stock/Scrip Code: 540776 Address: Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001 National Stock Exchange of India Limited Stock/Scrip Code: 5PAISA Exchange Plaza, 5th Floor, Plot C/1, G Block, Bandra - Kurla Complex, Bandra (E), Mumbai – 400051.
Listing fees :	The Company has paid the Listing Fees for the Financial 2023-2024 to the above Stock Exchanges
Outstanding GDR's/ADR's/Warrants or any convertible instruments, conversion date and likely impact on equity :	Your Company has outstanding unexercised ESOPs of 55,600 stock options as on March 31, 2024 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 your Company. Upon exercise of options by grantees, the paid-up share capital of your Company will accordingly increase.
Address for correspondence	<ol style="list-style-type: none"> Shareholding related queries: Link Intime India Private Limited Address: C-101, 247, Lal Bahadur Shastri Marg, Gandhi Nagar, Vikhroli West, Mumbai – 400 083. Contact Person: Ms. Sharmila Amin Tel: 022-49186000 Email: rnt.helpdesk@linkintime.co.in

Note:

- A. Please contact above-mentioned person for all correspondence related to dematerialization, transfer of shares, non-receipt of dividend on shares and any other query relating to the shares of your Company.
- B. The Company has also designated ir@5paisa.com an exclusive Email ID for the investors for the purpose of registering complaints and the same has been displayed on the Company's Website.

2. General Correspondence:

Mrs. Namita Godbole, Company Secretary and Chief Compliance Officer

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

Tel: : +91 22 2580 6654/+91 22 4103 5000

Email: csteam@5paisa.com

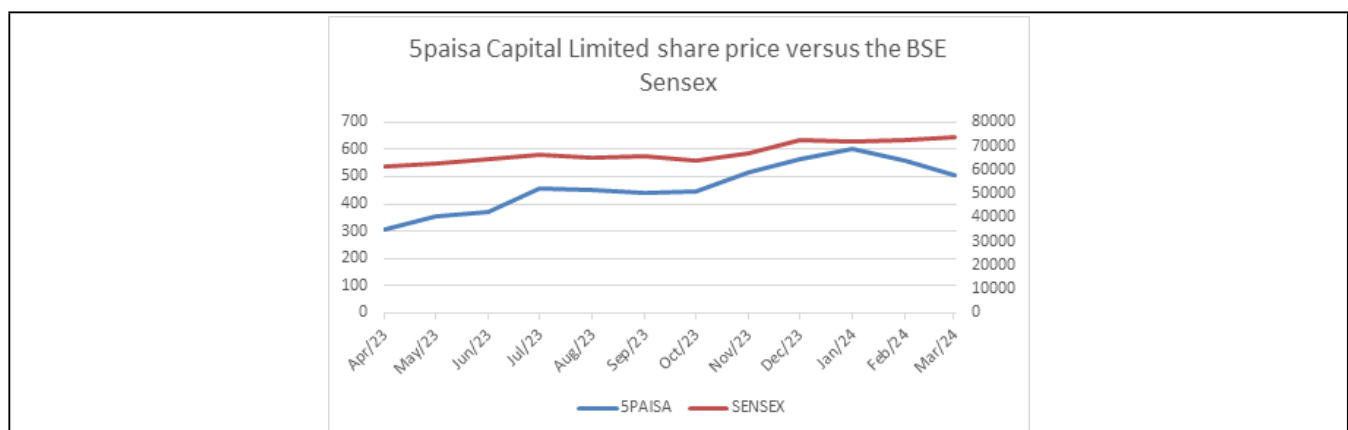
Note: Your Company can also be visited at its website <https://www.5paisa.com/>

STOCK PRICE DATA

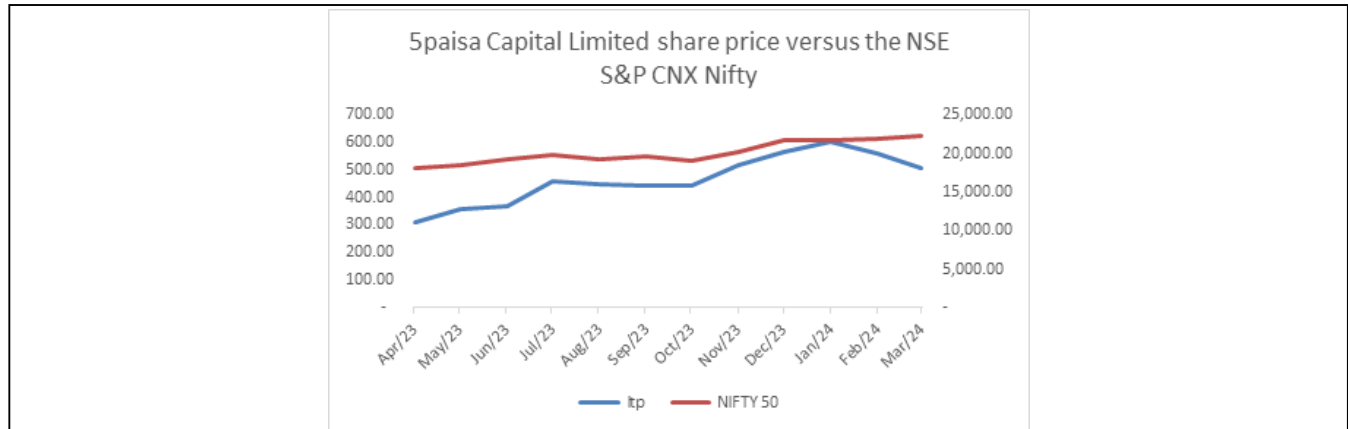
Month	BSE			BSE (Sensex) (Monthly Closing)	NSE			NSE (Nifty) (Monthly Closing)
	High	Low	Close		High	Low	Close	
April 2023	312.4	278.8	308.2	61112.44	312.90	280.40	307.95	18065
May 2023	366.15	300.6	356.4	62622.24	366.40	305.00	356.10	18534.4
June 2023	427.85	339.55	370.25	64718.56	393.00	331.00	370.75	19189.05
July 2023	485.6	360.05	457.45	66527.67	485.00	363.00	458.25	19753.8
August 2023	479.5	424.3	448.7	64831.41	478.95	426.15	448.60	19253.8
September 2023	472.65	422	440.15	65828.41	475.00	422.10	440.90	19638.3
October 2023	494	405	443.65	63874.93	495.25	404.00	444.50	19079.6
November 2023	537	435.05	517.6	66988.44	539.50	434.30	518.05	20133.15
December 2023	580	475.15	566	72240.26	580.00	482.15	566.25	21731.4
January 2024	759.1	566.35	601.85	71752.11	758.45	566.20	601.70	21725.7
February 2024	649.85	534.75	558.4	72500.3	638.40	534.95	560.15	21982.8
March 2024	581.2	463.35	504.25	73651.35	570.15	462.60	505.05	22326.9

STOCK PERFORMANCE

The performance of the Company's shares relative to the BSE Sensex is given in the chart below:



The performance of the Company's shares relative to the NSE Nifty Index is given in the chart below:



DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2024

Category of Shares	Number of Shareholders	% of Total Shareholders	Total Shares for the range	Percentage (%) of Issued Capital
1 to 5000	42283	97.0016	2098150	6.7268
5001 to 10,000	731	1.6770	535490	1.7168
10,001 to 20,000	309	0.7089	452899	1.4520
20,001 to 30,000	80	0.1835	203841	0.6535
30,001 to 40,000	51	0.1170	182452	0.5850
40,001 to 50,000	25	0.0574	118674	0.3805
50,001 to 1,00,000	52	0.1193	397974	1.2759
1,00,001 and more	59	0.1354	27201493	87.2095
Total	43590	100.0000	31190973	100.0000

CATEGORY WISE SHAREHOLDING PATTERN AS ON MARCH 31, 2024:

Sr. No	Category	Number of equity shares held	Percentage of holding
1.	Promoters & Promoters Group	1,02,30,698	32.8002
2.	Public	2,09,57,275	67.1902
3.	Others	3,000	0.0096
	Total	3,11,90,973	100.0000

Detailed Shareholding pattern has been submitted to Stock Exchanges on a Quarterly basis in compliance with SEBI (LODR) Regulations, 2015. Further the Shareholding pattern is also available on the website of the Company at <https://www.5paisa.com/investor-relations/shareholding-ownership>.

CREDIT RATINGS OBTAINED BY THE COMPANY:

CRISIL Limited ("CRISIL"), the credit rating agency vide its letter dated October 05, 2023, assigned/reaffirmed the following ratings for various facilities of the Company as per the details given below:

Sr. No.	Rating For	Credit Rating	Amount (₹ in Crores)	Remark
1.	Long Term Non-Convertible Debentures	CRISIL A+/stable	200	Assigned
2.	Long Term Bank Loan Facility	CRISIL A+/stable	200	Reassigned
3.	Short-Term Working Capital Demand Loan	CRISIL A1+	140	Reaffirmed
4.	Short Term Bank Loan Facility	CRISIL A1+	160	Reaffirmed
5.	Commercial Paper	CRISIL A1+	200	Reaffirmed

The rating rationale is available on the website of CRISIL at: <https://www.crisilratings.com/en/home/our-business/ratings/company-factsheet.IIFLCL.html>.

DETAILS OF PUBLIC FUNDING OBTAINED IN THE PREVIOUS THREE YEARS

The Company has not obtained any public funding in the previous three years.

UNCLAIMED DIVIDEND

The Company has not declared any dividend till date, therefore there is no case of unclaimed dividend.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

The Company has not declared any dividend till date, therefore there is no case of unclaimed dividend and further no amount is required to be transferred to Investor Education and Protection Fund (IEPF).

TRANSFER OF SHARES TO INVESTOR EDUCATION AND PROTECTION FUND

The Company has not transferred any shares to Investor Education and Protection Fund during the year under review.

AUDIT OF RECONCILIATION OF SHARE CAPITAL

As stipulated by SEBI, a Practicing Company Secretary carries out the Audit of Reconciliation of Share Capital on a quarterly basis to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and paid-up capital. The report is submitted on the designated Stock Exchanges on quarterly basis.

COMPLIANCE WITH SECRETARIAL STANDARDS

The Institute of Company Secretaries of India, a statutory body established under a special act of Parliament, has issued Secretarial Standards on Meeting of the Board of Directors and General Meetings. The Company has complied with all the applicable provisions of the Secretarial Standards.

OTHER DISCLOSURES**A. RELATED PARTY TRANSACTIONS**

The Company has formulated a Policy on Materiality of Related Party Transactions and dealing with Related Party Transactions in line with the requirements of Section 177(iv) and 188 of the Act read with Rules framed thereunder and the Listing Regulations. This Policy is available on the website of the Company at <https://www.5paisa.com/investor-relations>.

All Related Party Transactions (RPTs) entered into by the Company during the year under review were on arms' length basis and in the ordinary course of business. As a practice of good corporate governance, Company for approval, places all the Related Party Transactions before the Audit Committee and the Board.

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 August 31, 2023 via Video Conferencing (VC).

A statement showing the disclosure of transactions with related parties as required under Indian Accounting Standard 24 is set out separately under the Financial Statements.

There were no material transactions entered into with related parties, during the period under review, which may have had any potential conflict with the interests of the Company.

B. DETAILS OF NON-COMPLIANCE, PENALTIES, STRICTURES IMPOSED BY THE STOCK EXCHANGE OR BOARD OR STATUTORY AUTHORITY ON ANY MATTER RELATED TO CAPITAL MARKETS DURING THE LAST 3 YEARS

No Strictures/Penalties were imposed on your 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 2023-24 except as mentioned below:

1. With respect to NSE regular inspection conducted in February 2019 for the period 2018-19, a penalty of ₹ 1,60,000/- was levied on 5Paisa for the observations pertaining to non-settlement of client funds and securities, non-maintenance of register of securities in the prescribed format, co-mingling of collateral stocks and funded stocks made during the course of said inspection. The penalty in connection with the said observations has been paid by 5Paisa.
2. A penalty of ₹ 200,000/- was levied on 5paisa by NSE for non-upload of Client Funds & Securities Balances for the month of March 2019. The penalty in connection with the same has been paid by 5paisa.
3. A penalty of ₹ 80,000/- was levied on 5Paisa by BSE for delay in upload of holding statement for the month of December 2019. The penalty in connection with the same has been paid by 5Paisa.
4. A penalty of ₹ 50,000/- was levied on 5Paisa by NSE for release of advertisement without seeking approval of the Exchange. The penalty in connection with the same has been paid by 5Paisa.
5. A penalty of ₹ 3,600/- was levied on 5Paisa by NSE and BSE for delay in submission of Half Yearly Net-worth Certificate.
6. A penalty of ₹ 1,500/- was levied on 5Paisa by NSE for delay in submission of Weekly Client Fund Monitoring.



7. A penalty of ₹ 11,000/- was levied on 5Paisa by BSE for non-compliances/violations reported in Internal Audit Report submitted for the half year ended March 2020.
8. A penalty of ₹ 17,500/- was levied on 5Paisa by MCX for non-compliances/violations reported in Internal Audit Report submitted for the half year ended September 2020.
9. With respect to SEBI inspection conducted jointly with BSE, NSE, MCX and CDSL in June 2019 for the period April 1, 2018 to May 31, 2019, a penalty of ₹ 1,362,791/- was levied on 5paisa Capital Limited for the observations pertaining to handling of client's funds and securities, Client Funding, Client Registration Process, Analysis of Enhanced Supervision Data made during the course of said inspection. The penalty in connection with the said observations has been paid by 5Paisa Capital Limited.
10. A penalty of ₹ 5,000/- was levied on 5Paisa by MCX for not assigning proper nomenclature for Bank Account details.
11. A penalty of ₹ 8,000/- was levied on 5Paisa by NSE for non-compliances/violations reported in Internal Audit Report submitted for the half year ended September 2020.
12. A penalty of ₹ 6,000/- was levied on 5Paisa by BSE for non-compliances/violations reported in Internal Audit Report submitted for the half year ended September 2020.
13. A penalty of ₹ 42,500/- was levied on 5Paisa by BSE for non-compliances/violations reported in Internal Audit Report submitted for the half year ended March 2021.
14. A penalty of ₹ 10,000/- was levied on 5Paisa by BSE towards unregistered client code.
15. A penalty of ₹ 10,000/- was levied on 5Paisa by BSE towards unregistered client code.
16. A penalty of ₹ 12,500/- was levied on 5Paisa by MCX for Adverse Observe MCX reported in Internal Audit Report submitted for the half year ended September 2021.
17. A penalty of ₹ 60,000/- was levied on 5Paisa by NSE Non-Tagging of Unique Identifier for Algorithmic orders.
18. A penalty of ₹ 10,000/- was levied on 5Paisa by BSE towards unregistered client code.
19. A penalty of ₹ 30,000/- was levied on 5Paisa by BSE towards unregistered client code.
20. A penalty of ₹ 2,20,000 (i.e. ₹ 10,000/- per client) was levied on 5Paisa by MCX towards incorrect state city in UCC database of the exchange.
21. A Penalty of ₹ 59,000/- towards Non-Compliance with Code of Advertisement was levied by BSE.
22. A Penalty of ₹ 1,02,000/- levied by MCX for Adverse Observe MCX reported in Inspection conducted for the period 2020-2021.
23. Penalties of ₹ 3,00,000/- levied as per for offsite inspection by NSE.
24. A Penalty of ₹ 50,000/- towards Non-Compliance with Code of Advertisement was levied by BSE.
25. A penalty of ₹ 8000/- was levied on 5Paisa by BSE for Adverse Observe MCX reported in Internal Audit Report submitted for the half year ended March 2022.
26. Penalty has been levied for delayed submission of daily MTF reporting by NSE of ₹ 5000/-.
27. A penalty of ₹ 12,500/- was levied on 5Paisa by MCX for Adverse Observe MCX reported in Internal Audit Report submitted for the half year ended September 2022.
28. With respect to SEBI joint inspection conducted in July 2022 for the period April, 2021 June 2022, a penalty of ₹ 16,16,900/- was levied on 5Paisa for the observations pertaining to In-correct 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.
29. With respect to limited purpose inspections conducted by NSE penalty of ₹ 23,09,000/-lakhs was levied for the violations observed.
30. A penalty of ₹7,600/- was levied by NSE offsite inspection team for the incorrect margin reported and collection to the Exchange as on April 11,2022.
31. A monetary penalty of ₹6,00,000/- was levied by NSE offsite inspection for Incorrect data reported towards weekly client level cash and cash equivalent balances (Peak ledger balances mismatch system issues). (₹ 100,000 for each instance total being 6 instance)

32. A monetary penalty of ₹1,92,400/- was levied by NSE for Incorrect margin collection reported to the Exchange. (4 instances merged)
33. A penalty of ₹4,75,000/- was levied for Non-adherence to the Exchange's Code of Advertisement i.e. for 4 business communications/advertisements contain the 5Paisa branding and published the communications/advertisements with the intention and purpose of pro-moting its brand, products and services (2 instances merged)
34. A monetary penalty of ₹1,00,000/- was levied by MCX for Mismatch in information of state city and pin code of client.
35. A penalty of ₹8,58,000/- was levied for Penalty levied for Non-complied areas observed during internal audit for the period Oct-2021 to Mar-2022.
36. A monetary penalty of ₹15,000/- was levied by MCX for KYC details of client not updated with KRA, CKYC and CKYC for existing clients.
37. A monetary penalty of ₹4,16,500/- was levied by NSE for Regular Inspection in CM, F&O and CD Segments conducted during December 2022.
38. A penalty of ₹45,000/- was levied by NSE for (LPI inspection) Client registration documents are not executed, and the client registration documents not maintained (i.e. all the fields are not properly filled up) and A contravening clause of running account authorization has included in the KYC document.
39. A penalty of ₹1,000/- was levied by BSE (violations observed in internal audit report) for KYC details of client not updated with CKYC and CKYC for existing clients.
40. A penalty of ₹15,000/- was levied by CDSL for we did not submit the complete compliance report within 95 days from the first intimation of non-compliance letter.
41. A penalty of ₹300/- was levied by CDSL for Typographical error by DP staff (3 instance).
42. A penalty of ₹10,000/- was levied by NSE for Operation of trading terminals without having valid certification.
43. A penalty of ₹15,000/- was levied by MCX for violation reported in the internal Audit Report for the Half Year period ended 01-October-2022 to 31-March-2023.

44. A penalty of ₹300/- was levied by CDSL for Typographical error by DP staff (3 instance).

C. VIGIL MECHANISM

The Company has a well-defined vigil mechanism/whistle blower policy which is fully implemented by the Management, particulars of which have been explained in greater detail as part of the Board's Report.

No personnel have been denied access to the Whistle Officer/CEO/Chairman of the Audit Committee.

D. COMPLIANCE WITH MANDATORY REQUIREMENTS

Your Company has complied with all the mandatory requirements relating to Corporate Governance under the Listing Regulations as well as the Corporate Governance Requirements specified in Regulation 17 to 27 to the extent applicable and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.

E. COMPLIANCE WITH NON-MANDATORY REQUIREMENTS

The non-mandatory requirements under the Listing Regulations as adopted by the Company are as under:

1. There is no audit qualification in the Company's financial statements for the year ended 31 March 2024. Your Company continues to adopt best practices to ensure regime of unqualified financial statements.
2. The Internal Auditor of the Company reports to the Audit Committee and participates in the meetings of the Audit Committee of the Board of Directors of the Company and presents his internal audit observations to the Audit Committee.

F. DISCLOSURE IN RELATION TO SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

During the year under review, your company did not receive any complaints in relation to Sexual Harassment of women at workplace. For further details, please refer Director's Report.

G. 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	1.70
Certification Expenses	NIL
Out of Pocket Expenses	NIL
Total	1.70

H. SUBSIDIARY COMPANIES

The Company has formulated a policy for determining material subsidiaries in terms of the Listing Regulations and is available on the website of the Company at <https://www.5paisa.com/investor-relations#Procedure>.

None of the subsidiaries are material unlisted subsidiaries as defined under Regulation 16 of the Listing Regulations.

During the Financial Year 2023-24, the Company had 4 (Four) Wholly Owned Subsidiaries as follows.

1. 5paisa P2P Limited

5paisa P2P Limited is a wholly owned subsidiary of 5paisa Capital Limited. The company received Certificate of Registration from Reserve Bank of India ("RBI") bearing registration number N-13.02371 to act as NBFC P2P.

2. 5paisa Corporate Services Limited (Formerly known as 5paisa Insurance Brokers Limited)

5paisa Corporate Services Limited (Formerly known as 5paisa Insurance Brokers Limited) is a wholly owned subsidiary of 5paisa Capital Limited incorporated on October 27, 2018. 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. The Company shall commence its business shortly.

3. 5paisa Trading Limited

5paisa Trading Limited was incorporated as a public limited company on February 27, 2020 as a wholly owned subsidiary of 5paisa Capital Limited.

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 object 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.

The Audit Committee reviews the financial statements and in particular, the investments, if any, made by the subsidiary companies. The summary of minutes of board meetings of the subsidiary companies are circulated to the Board of the Company along with agenda papers and the minutes are tabled at the Board meeting. The management of the subsidiary periodically brings to the notice of the Board of Directors of the Company a statement of all significant transactions and arrangements, if any, entered into by the subsidiary companies.

I. POLICY ON DIVIDEND DISTRIBUTION

Your Company has adopted a policy on Dividend Distribution formulated in accordance with the Regulation 43A of the Listing Regulations, and the same can be accessed on the website of the Company at <https://www.5paisa.com/investor-relations#Procedure>.

J. CODE OF CONDUCT TO REGULATE, MONITOR AND REPORT TRADING BY INSIDERS

Pursuant to the SEBI (Prohibition of Insider Trading) Regulations 2015, the Company has adopted a Code of Conduct to regulate, monitor and report trading by Insiders ("Code"). The objective of the Code is to restrict an insider from dealing in the shares of the Company either directly or indirectly when in possession of unpublished price sensitive information (UPSI). The Company maintains structured digital database for insiders. The Code enumerates the procedure to be followed for dealing in the shares of the Company and periodic disclosures to be made. It also restricts the insiders from dealing in the Company's shares during the period when the 'Trading Window' is announced as closed. The Company Secretary has been designated as the Chief Compliance Officer.

K. CODE OF CORPORATE DISCLOSURE PRACTICES

Pursuant to the SEBI (Prohibition of Insider Trading) Regulations 2015, in order to restrict communication of UPSI, the Company has adopted Code of Corporate Disclosure Practices for disclosure of information about the Company to the public including fair disclosure of Unpublished Price Sensitive Information is available on the website of the Company at <https://www.5paisa.com/investor-relations#Procedure>.

L. DISCLOSURE OF ACCOUNTING TREATMENT

The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) and provisions of the Act and comply in material aspects with the Ind AS, as per the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time, and notified under Section 133 and other provisions of the Act.

There was no deviation in following the treatments prescribed in any of Indian Accounting Standards (IndAS) in the preparation of the financial statements of your Company.

M. DISCLOSURE OF COMMODITY PRICE RISKS AND COMMODITY HEDGING ACTIVITIES

Details of the same are mentioned in the Notes to Accounts in the Annual Report.

N. DETAILS OF UTILISATION OF FUNDS RAISED THROUGH PREFERENTIAL ALLOTMENT OR QUALIFIED

P. DISCLOSURE OF LOANS AND ADVANCES IN THE NATURE OF LOANS BY LISTED ENTITY AND ITS SUBSIDIARIES TO FIRMS/COMPANIES IN WHICH DIRECTORS ARE INTERESTED

(₹ in Million)

Nature of Loans advanced by the Company/Subsidiary	Name of the Company extending loan	Name of the Group Company to whom loan is extended	Name of the interested director	Amount (₹)
Not applicable				

Q. 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") ('Demerged Company') and 5paisa Capital Limited, the ('Resulting Company') 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 share 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 your Company. Also pursuant to the Rights issue, the Rights entitlement on 376 equity shares have been kept in abeyance.

R. 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. Your Company allotted fresh 1,27,39,022 equity share of ₹ 10 each to the shareholders of IIFL Finance Limited in the ratio of 1 (One) fully paid-up New Equity Share of Rs 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.

INSTITUTIONS PLACEMENT AS SPECIFIED UNDER REGULATION 32 (7A)

Not Applicable as the Company has not raised the funds through Preferential Allotment or Qualified Institutions Placement.

O. NON-COMPLIANCE OF ANY REQUIREMENT OF CORPORATE GOVERNANCE REPORT OF SUB-PARAS (2) TO (10) OF SCHEDULE V OF THE LISTING REGULATIONS

There are no non-compliances of any requirements of Corporate Governance Report of sub-paras (2) to (10) mentioned in schedule V of the Listing Regulations.

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- Ex-Whole time Director & Chief Business 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, 2024, ₹ 0.18 million is lying as the unclaimed fractional entitlements in the said bank account.

S. PROCEEDS FROM PUBLIC ISSUES, RIGHT ISSUES AND PREFERENTIAL ISSUE, AMONG OTHERS

The paid-up equity share capital of your Company as on March 31, 2024 was ₹ 31,19,09,730/- (3,11,90,973 equity shares of ₹ 10/- each).

T. DISCLOSURE OF CERTAIN TYPES OF AGREEMENTS BINDING LISTED ENTITIES

Not applicable

U. DISCLOSURES WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/UNCLAIMED SUSPENSE ACCOUNT

The Company does not have any shares in the demat suspense account or unclaimed suspense account.

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

Narayan Gangadhar
Managing Director
& Chief Executive Officer
DIN: 09298665

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

Date: July 12, 2024
Place: Thane

ANNEXURE – I

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

Dear Sir/Madam,

Subject : CEO/CFO Certificate

We, the undersigned, in our respective capacities as Chief Executive Officer (CEO) and Chief Financial Officer (CFO) of 5paisa Capital Limited ("the Company") to the best of our knowledge and belief certify that:

- (a) We have reviewed the financial statements and the cash flow statement of 5paisa Capital Limited for the year ended March 31, 2024 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) We further state that 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 that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of

such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

- (d) We have indicated, based in our most recent evaluation, wherever applicable, to the Auditors and the Audit Committee:
 - (i) Significant changes in internal control over financial reporting during the year;
 - (ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the Management or an employee having a significant role in the Company's internal control system over financial reporting.

This certificate is being given to the Audit Committee of the Board and the Board of Directors of 5paisa Capital Limited, pursuant to Regulation 17(8) read with Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

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

Narayan Gangadhar
Managing Director
& Chief Executive Officer
DIN: 09298665

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

Date: July 12, 2024
Place: Thane

Declaration on Compliance with the Code of Conduct

To the Shareholders of
5paisa Capital Limited

Subject : Compliance with the Code of Conduct

I hereby declare that all the directors and senior management personnel have affirmed compliance with the Code of Conduct for the year ended March 31, 2024.

For 5paisa Capital Limited

Narayan Gangadhar

Managing Director & Chief Executive Officer
DIN: 09298665

Date: July 12, 2024

Place: Thane

ANNEXURE – III

Certificate of Non-Disqualification of Directors

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

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

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of 5paisa Capital Limited, having CIN: L67190MH2007PLC289249 and having registered office situated at IIFL House, Sun Infotech Park, Road No. 16V, Plot No. B-23, Thane Industrial Area, Wagle Estate Thane – 400 604 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and carried by us and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2024 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory:

Sr. No.	Name of Director	DIN	Date of Appointment in Company
1	Archana Hingorani	00028037	07/06/2017
2	Nirali Sanghi	00319389	11/01/2018
3	Ravindra Garikipati	00984163	03/09/2020
4	Milin Mehta	01297508	01/04/2020
5	Gourav Munjal	06360031	16/01/2020
6	Narayan Gangadhar	09298665	13/07/2023

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company, our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Date: 24.04.2024

Place: Mumbai

UDIN: F004554F000232287

Signature:

Name: Nilesh Shah
For Nilesh Shah & Associates

Company Secretaries

FCS: 4554

C.P: 2631

Peer Review No. 698/2020

ANNEXURE – IV**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, 2024, 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)

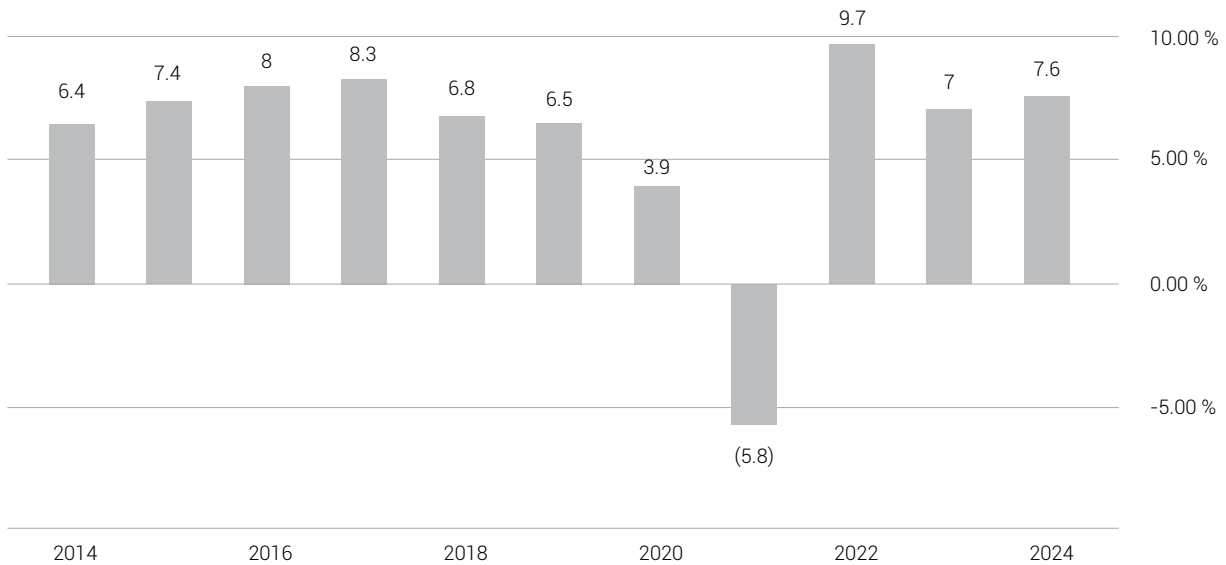
Asha Patel
Partner
M. No. 166048
UDIN: 24166048BKFDJP9872

Place: Mumbai
Date: July 12, 2024

Management Discussion and Analysis

INDIAN ECONOMY OVERVIEW

Financial Year 2023-24 marked a significant milestone for the Indian economy. Once again, despite a global economic slowdown amid high-interest rates and geopolitical tension, India demonstrated resilience and stands strong as the world's fifth-largest economy. According to the second revised estimation, released by MOSPI, India has registered a growth rate of 7.6%, surpassing the growth rate in the last financial year, which stands at 7%. The growth rate was registered on account of healthy domestic consumption, increased capital investment by the government, strengthening financial sector and stable monetary policies.



TRADINGECONOMICS.COM | MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION (MOSPI)

During the year, both the manufacturing and service sectors demonstrated robust performance. The manufacturing sector achieved an impressive growth of 8.5%. Moreover, the Index of Industrial Production (IIP) for manufacturing recorded a significant 5.6% growth compared to the previous year, reaching 142.5 during the first nine months. Meanwhile, the service sector in India displayed resilience, with the Purchasing Managers' Index (PMI) consistently remaining above 50, indicating sustained expansionary activity. Furthermore, as of February 2024, GST collections stand at ₹ 18.40 lakh crore, reflecting an 11.7% increase over the corresponding period in FY 2022-23, which indicates robust domestic demand.

The geopolitical tension between Russia & Ukraine has resulted in elevated oil and energy prices and also brought grain scarcity, globally. Additionally, the rising tension between Israel and Gaza has exacerbated the situation and resulted in higher global inflation. The impact was quite visible on the Indian economy and the higher inflation became a key concern.

To curb the growing inflation, the Reserve Bank of India (RBI), has maintained its monetary stance, keeping key policy rates unchanged at 6.5% for the seventh consecutive review; it stood firm on 'withdrawal of accommodation'. The tight monetary

policy has cooled down the inflation, and the average CPI inflation was estimated to be under the tolerance band and stood at 5.4% during FY 2023-24.

Key policy announcements of Union Budget 2024-25

The interim union budget for 2024-25 demonstrates the government's ongoing commitment to infrastructure development, economic stability, sector-specific advancements, environmental sustainability, and strategic global positioning. It lays the groundwork for realizing the vision of a 'Viksit Bharat' (Developed India) by 2047.

The key highlight of the interim-budget 2024-25 includes:

- The government has increased the expenditure target by 11.11% to a record ₹ 11.11 lakh crore, this would be 3.4% of the GDP
- The allocation for the Ministry of Road Transport and Highways (MoRTH) increased by 2.8% to ₹ 2.78 lakh crore for FY 2024-25
- ₹ 2.55 lakh crore has been allocated for the Ministry of Railways, surpassing the previous year's record of ₹ 2.4 lakh crore

Management Discussion and Analysis (Contd.)

- Three major economic railway corridor programs:
 - (i) energy, mineral and cement corridors,
 - (ii) port connectivity corridors and
 - (iii) high traffic density corridors, are identified under the PM Gati Shakti to be implemented to improve logistics efficiency and reduce cost
- A corpus of ₹ 1 lakh crore will be established through a fifty-year interest-free loan to provide long-term financing or refinancing for research and innovation in emerging domains, including advanced defence technology
- The government has also increased the outlay for the Production Linked Incentive (PLI) scheme by 33.5% to ₹ 6,200 crore
- The budget for the Ministry of Rural Development increased to ₹ 1.77 lakh crore for FY 2024-25, an increase of around 12% from last year's allocation of ₹ 1.57 lakh crore. Additionally, an increased allocation of ₹ 86,000 crore for the Mahatma Gandhi National Rural Employment Guarantee Scheme (MNREGA) will boost the rural economy
- Fiscal deficit is expected at 5.8% of GDP in FY 2023-24, down from 5.9% estimated earlier and 5.1% fiscal deficit expected in FY 2024-25

Economic Outlook

Looking ahead, the Indian economy appears promising. The World Bank has projected a growth rate of 6.6% for FY 2024-25. This growth is supported by the service sector, while the industrial sector is expected to remain robust, particularly due to strong construction and real estate activities. Inflationary pressures are anticipated to ease, with inflation projected to remain around 4.5% during FY 2024-25. Additionally, various government initiatives such as the PLI scheme, Atmanirbhar Bharat, the Make in India campaign, and the relaxation of the FDI limit are expected to drive this growth.

Risks to India's economic growth stem from inflationary pressures in advanced countries and potential supply chain disruptions due to ongoing geopolitical tensions. These disruptions could lead to volatile commodity prices. However, despite the challenges presented by a volatile global macroeconomic environment, India's economic prospects remain positive. This is supported by robust consumer demand and private investment, improvements in physical and digital infrastructure, increased capital expenditure, and proactive policy measures by the government and the central bank.

FINANCIAL SERVICES INDUSTRY

India's financial sector is diverse and rapidly expanding, with both existing firms experiencing strong growth and new entities entering the market. There are diversified segments under the industry's growth which include commercial banks, insurance companies, non-banking financial companies, cooperatives, pension funds, mutual funds, and other smaller entities. The ascent of fintech in all these segments is propelling the nation's financial services industry to new heights, accelerating its growth trajectory with unprecedented speed.

The Government of India has implemented reforms to liberalize, regulate, and enhance the financial services industry. Both the government and the Reserve Bank of India (RBI) have undertaken measures to facilitate easy access to finance for Micro, Small, and Medium Enterprises (MSMEs). These measures include the launch of the Credit Guarantee Fund Scheme for MSMEs, the issuance of guidelines to banks regarding collateral requirements, and the establishment of the Micro Units Development and Refinance Agency (MUDRA).

In recent years, the financial sector has faced numerous challenges, including bad loans and the NPA crisis, as well as the global turmoil caused by COVID-19. To address these challenges, the government and RBI have implemented various measures. There has been a change in credit culture, facilitated by the Insolvency and Bankruptcy Code, 2016 (IBC). Additionally, amendments have been made to the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 to enhance its effectiveness. The establishment of the National Asset Reconstruction Company Limited aims to resolve stressed assets above ₹ 500 crore, among other initiatives. The tighter monetary policy has also improved interest margins for lenders, and there is a degrowth in non-performing loans.

Looking ahead, the Indian financial services industry is poised for strong growth, driven by factors such as rising per capita disposable income, the country's expanding economy, the adoption of digitization, and government policy support. Furthermore, the industry's enhanced focus on financial literacy is expected to help expand its customer base and increase its overall size.

USE OF DIGITAL TECHNOLOGY IN THE FINANCE INDUSTRY

India has become a leader in digital payments in recent years, accounting for 46% of all digital payments in the world. The industry's digital transformation and innovation have empowered it to adapt to customers' evolving needs, enhance efficiency, and lower costs. This transformation has facilitated deeper market penetration, leveraging smartphone and internet connectivity to offer a wide array of products and services

Management Discussion and Analysis (Contd.)

digitally. Customers can now conveniently access services such as loan applications, e-KYC completion, and bank account openings online.

Indian digital payments include various types and methods of digital financial modes which include ATM Cards, Micro ATMs, Bank Prepaid Cards Aadhaar Enabled Payment System (AEPS), Internet Banking, Mobile Banking, PoS Terminals, Unified Payments Interface (UPI), Mobile Wallets, Unstructured Supplementary Service Data (USSD), and many others.

Digital payments in India have experienced remarkable growth over time. The transaction volume surged from 2,071 crore in FY 2017-18 to 13,462 crore in FY 2022-23, representing a CAGR of 45%. As of March 31, 2024, 18,592 crore digital payments have been recorded in FY 2023-24 indicating a growth of 38%. Government initiatives like the Pradhan Mantri Gramin Digital Saksharta Abhiyaan (PMGDISHA) to boost digital literacy in rural India, along with RBI's efforts to promote digital literacy, have been pivotal in driving this growth. The government also introduced the Aadhaar Enabled Payment System (AePS), enabling bank customers, especially in rural and semi-urban areas, to access their bank accounts and conduct transactions without an ATM machine. Furthermore, the proliferation of affordable smartphones, the surge in online shopping, low or zero transaction costs, and the availability of cheaper internet connections have also significantly contributed to this growth.

Despite the tremendous growth in digital transactions in India, several challenges such as internet connectivity, cyber frauds, technological disruptions, language barriers, and limited computer literacy pose significant threats to the continued expansion of digital financial transactions. Addressing these challenges requires a coordinated effort involving government authorities, financial institutions, technology providers, and users themselves.

Digital transactions in India are projected to reach 186 billion in volume and ₹ 200 trillion in value by 2025, driven by increasing smartphone users and technological advancements. NPCI International Payments Limited (NIPL) has partnered with several countries to create a compatible network for RuPay and UPI, enabling Indian citizens to use these platforms for financial transactions abroad. UPI is now available for non-resident account holders across ten countries, benefiting students, local businesses of Indian origins, and others.

OVERVIEW OF CAPITAL MARKETS

India's capital market is a crucial component of the country's financial system, playing a significant role in mobilizing savings and channelling them toward productive investments. In India, the capital market comprises two major segments, the primary market and the secondary market. The primary market is where

corporations issue new securities, such as stocks, bonds, and other financial instruments, to raise capital. The secondary market, on the other hand, is where existing securities are traded between investors. The capital markets in India are supported by well-established and digitally-savvy Market Infrastructure Institutions (MII), which provide infrastructure of trading, settlement and record keeping. These include stock exchanges, clearing corporations and depositories. These MIIs are systemically important in India as they have been facilitating the phenomenal growth in market capitalization of listed companies, capital raised and the number of investor accounts with brokers and depositories and the value of assets held in the depositories' account.

The Indian equity market, comprising the National Stock Exchange (NSE) and the BSE, is the largest segment of the country's capital market. In January 2024, the Indian stock market surpassed Hong Kong to become the fourth-largest equity market globally. The combined value of shares listed on Indian exchanges reached US\$ 4.33 trillion, slightly higher than Hong Kong's US\$ 4.29 trillion, according to data compiled by Bloomberg. Also, the financial year 2023-24 has seen a stunning rally in the Nifty and the Sensex. From the lows of March 31, 2023, the Nifty traversed 26.96% to its record high closing of 22,041.

However, during 2023-24, global headline inflation, unstable geopolitical conditions and supply chain disruption because of the continuous crisis on the Red Sea remain a key concern. These global concerns have impacted the overall flow of FDIs and FIIs as the Net FDI inflows minus the outflows, declined to US\$ 13.54 billion in April-November 2023 from US\$ 19.76 billion in the same period in 2022. On the other hand, domestic institutions maintained their position as a solid presence in the Indian equity market, outperforming their international counterparts for the third consecutive year. They served as a crucial stabilizing force, particularly during periods when foreign investors were withdrawing their investments.

Outlook

India's capital markets hold considerable investment potential, as indicated by projections that being included in major bond indexes could lead to significant inflows, thereby enhancing the market's growth. Moreover, the nation is garnering attention from prominent global funds, underscoring its confidence in the economic outlook. The government's emphasis on digitization, the expanding consumer base, and the shift of manufacturing supply chains away from China are anticipated to drive growth in the medium term. Jefferies, a global investment advisory firm, estimates that the stock market could reach US\$ 10 trillion by 2030.

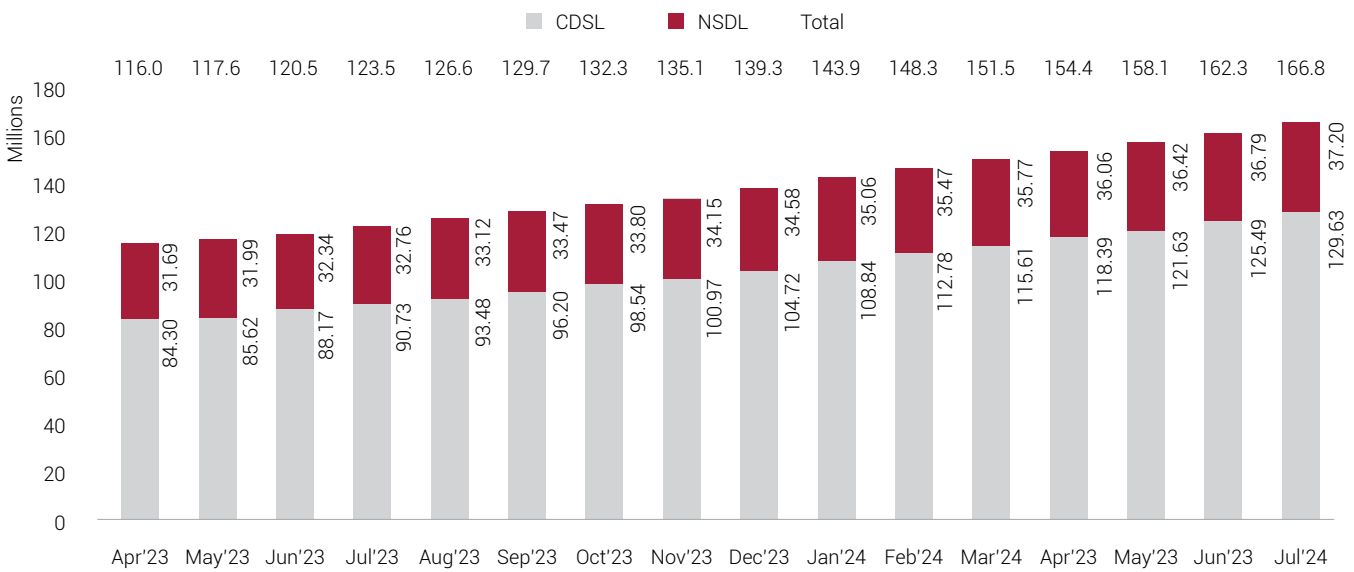
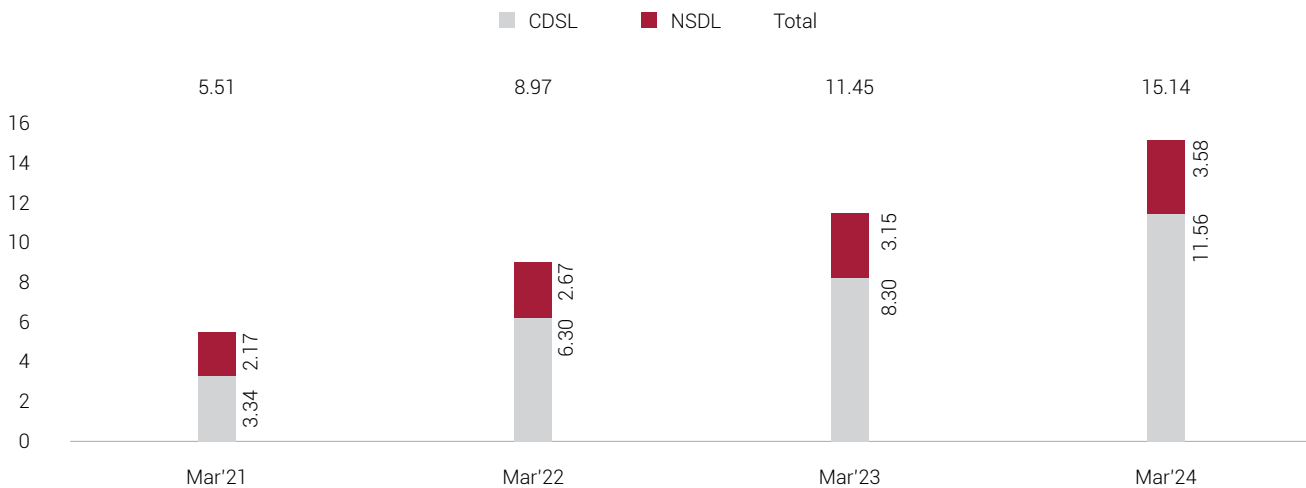
Management Discussion and Analysis (Contd.)
STOCK BROKING SECTOR

The Indian broking industry is very diverse with many intermediaries forming a part of the market infrastructure. The industry bifurcated into 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.

The India Security Brokerage Market size is estimated at US\$ 3.94 billion in 2024. Also, the broking industry has posted record revenues and net profits in FY 2023-24, fueled by a

resurgence in investor confidence, as per an ICRA report. Analysis of 29 leading brokerage firms in the first half of the financial year revealed a substantial 20% annualized growth in net operating income, supported by increased market activity.

The number of Demat accounts has surged significantly, with an average of 31 lakh new accounts being added monthly. By March 2024, there were 15.10 crore new accounts added. Both major depositories, CDSL and NSDL, experienced an 11.9% year-on-year surge, bringing the total tally to 15.14 crore from 11.45 crore.

Industry Demat M-o-M

Industry Demat Y-o-Y


Management Discussion and Analysis (Contd.)

In recent years, the industry has become more dynamic with the entry of new players, digitization-led disruptions and changing regulations. Digitization has been a key driver for the financial services industry. With internet penetration on the rise, 5G services and digital payments, customers now have easy access to the market.

The players in the industry have restructured their strategies to diversify revenue streams. They focus on value-added services like wealth management, research, advisory, AMC, and financial planning to enhance customer engagement and enrich clients' wealth creation journeys.

Outlook

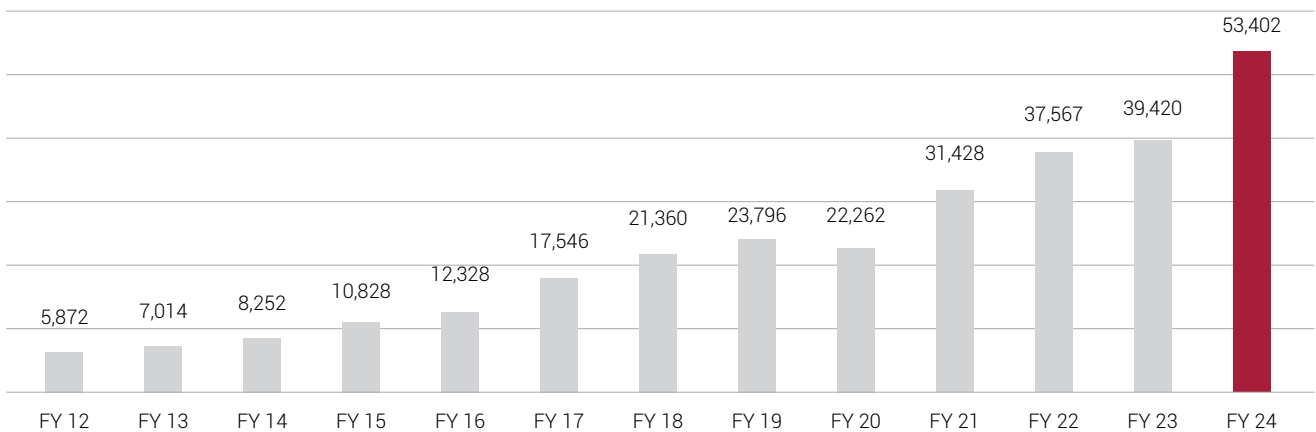
Looking ahead, the competition in the retail brokerage sector is anticipated to transition from price competition to growth driven by value propositions, aiming to increase market share and profitability. Developing precise digital marketing capabilities

will be crucial, as the effectiveness of performance marketing will determine the cost efficiency of acquiring and engaging new clients. Estimates from Bain & Company indicate that revenue in the domestic retail brokerage industry could more than double over the next five years. This growth is attributed to the emergence of India's mass-affluent and affluent segments, coupled with increasing financial literacy.

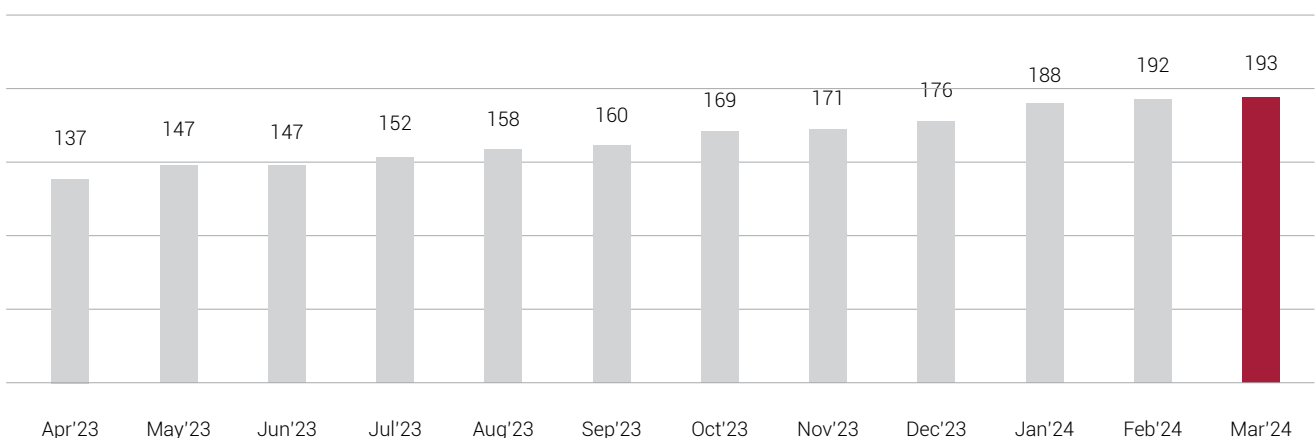
MUTUAL FUND INDUSTRY

The Indian mutual fund (MF) industry is a dynamic and evolving sector, constantly adjusting to changing market conditions and investor preferences. In the financial year 2023-24, the industry demonstrated outstanding performance, with domestic mutual funds (MFs) growing by 35%. As of March 31, 2024, the Assets Under Management (AUM) of the Indian Mutual Fund Industry reached ₹ 53.40 trillion, compared to ₹ 39.42 trillion in March 2023.

AUM (₹ Billion)



SIP Contribution (₹ Billion)



Management Discussion and Analysis (Contd.)

Investor adoption of systematic investment plans (SIPs) continued to rise, with monthly net inflows touching approximately ₹ 19,300 crore in March 2024. For fiscal year 2024, net inflows through SIPs stood at nearly ₹ 2 lakh crore from ₹ 1.55 lakh crore last year, showcasing increasing investor confidence and commitment to disciplined investing.

Outlook

According to a report from Axis Capital, the Indian mutual fund industry is projected to reach a valuation of ₹ 100 lakh crore by 2030. This growth is expected to be driven by increased penetration of the mutual fund industry, which currently stands at 15% in India compared to the global average of approximately 74%. The report also anticipates that the current gross monthly SIP flow of around US\$ 200 million will more than triple by 2030 as Indians increase their financial savings. Factors contributing to this growth include a seamless investment experience facilitated by digitalization, a rise in investments from smaller cities, the rapid growth of middle-class income earners, and initiatives promoting financial literacy.

DISCOUNT BROKERAGE INDUSTRY

The Indian stockbroking industry has witnessed a remarkable transition towards online trading platforms and discount brokers. The convenience of fast, state-of-the-art technology at lower cost has attracted a new wave of investors, leading them to enter and invest in the market. The Discount Brokerage Market size is estimated at US\$ 24.24 billion in 2024.

In the past few years, discount brokers have emerged as significant players in the Indian stockbroking industry. According to Bain & Company, their market share has seen a substantial expansion from 8% to 23% between FY 2017-18 and FY 2022-23. Furthermore, the number of active clients has also grown significantly, rising from 8% to 49% during the same period. Discount brokers have become major drivers of industry growth, as the Indian retail brokerage sector nearly doubled its revenue from ₹ 14,000 crore in FY 2018-19 to ₹ 27,000 crore

in FY 2022-23, representing a compounded annual growth rate of 17%.

To safeguard investors' interests, SEBI has mandated that brokers separate advisory services from broking businesses, implement risk management policies and increase disclosure requirements.

Outlook

Going ahead, the market outlook for discount brokers in India appears promising, marked by substantial growth and an expanding market share. It is estimated that the discount brokerage industry in India will showcase a CAGR of 6.29% between 2024 and 2029 and will stand at US\$ 32.89 billion. Investors are prioritizing cost-effective trading options and enhanced client interface and service on the strength of technological advancements. Discount brokers are well-positioned to meet the evolving demands of the market and continue to challenge traditional full-service brokers. This has led to the emergence of the discount brokerage model, which offers trading services at reduced costs compared to traditional full-service brokers.

COMPANY OVERVIEW

5paisa Capital Limited (hereafter referred to as "our Company") was established in 2007 and operates as a technology-driven financial service firm with a strong online presence. Registered with SEBI as a stock broker, depository participant, and research analyst, and with AMFI as a mutual fund distributor, we cater mainly to retail investors and high-volume traders in the securities market. Our services are characterized by a DIY (Do-it-Yourself) approach, offering affordable financial products through online platforms and mobile applications. Leveraging simplified tech-driven solutions, customer-friendly mobile apps, an AI-powered Robo Advisory platform, and a paperless account opening process, we have emerged as India's fastest-growing online broker.

Product Offerings							
Broking	Cash/Derivative/Commodities Segments	Stock SIP	Tradestation	FnO360	Mobile Application	Quanttower	
Mutual Funds	Direct Funds	SIP	Robo Advisory				
Research Products	Swing Trader	Smart Investor	Smallcase	Sensibull	Screeners	Portfolio Analyzer	Trendlyne
Insurance	Health & Term						
Algo Trading	Open API	XTS	Smart Strategies	Scalping			
Learning Platform	Finschool						
Community	Stocky5						

Management Discussion and Analysis (Contd.)

CUSTOMER ACQUISITION

At 5paisa Capital, our focus is on developing a product pipeline that is prepared for the future and capable of capitalizing on emerging opportunities across our range of products. We have synchronized our business strategy with the evolving business requirements, concentrating on the innovation of specialized products that cater to customer needs.

We strive to universalize our value proposition, to bring more and more new customers, including from India's semi-urban and rural areas, into the ambit of our financial services. During the financial year, we have recorded a new customer acquisition of 21% as our total customer base stands at 4.23 millions customers.

ENHANCING ONBOARDING EXPERIENCE

This year, we focused on promoting the potential customers to complete the Account Opening Journey in DIY mode which were earlier done mostly in assisted mode. In line with this goal, we revamped the entire customer journey and improved the DIY% from 2.5% to 7.5%.

Our focus areas/initiatives were:

- Enhance UI and UX on both app and web
- Improve API Latency
- Work on backend logics and simplify them
- Automate manual systems
- Onboard new vendors to provide best in the industry features
- Take only minimum required information from the user
- Leverage the data and prefill the fields for the users

Automation:

We automated our KYC Process which was earlier manual and time-consuming resulting in saving man hours and reducing the TAT for opening the Demat account.

Partnerships:

- Bank Addition via Reverse Penny drop which prevents entering the user account number and IFSC code manually
- Digital Esign facility with 2 back-ups to ensure 100% uptime
- Fetch bank statement directly from the bank to help customer avoid the lengthy process of downloading bank statements and then uploading them
- Fetch user personal details and prefill it which helps in avoiding mistakes and makes the process faster

TECHNOLOGICAL UPDATES

5paisa is at the forefront of tech-enabled disruption in the equity ecosystem. We continue to invest in our engineering systems improving reliability, speed and performance. During the reporting year, we made significant advancements in strengthening our technology systems. Our company has successfully eliminated technical debt, minimized redundancy, and prioritized the implementation of microservices. Moreover, we enhanced the resilience of our backend infrastructure to optimize our operations.

We have been striding towards adopting new technologies, especially in security, AI & data science, and built fresh product capabilities to further scale our digitally-enabled revenue pipeline.

Easing onboarding process

We have completely redesigned and relaunched our customer onboarding journey, with a strong focus on enhancing the user interface and experience. Our latest version introduces pioneering features like Reverse Penny Drop, Account Aggregator integrations, and API optimizations, resulting in a significantly accelerated onboarding process.

At 5paisa, we have enhanced our KYC journey for clients by integrating One-Click identity, optimizing our pipeline, and improving personalization. These processes will enable our company to attract new customers to our platform while making it easy for users to complete the joining process.

Seamless trading solutions

Our company has improved the option chain trading platform by adding support for various indices, including Sensex, Midcap Nifty, and Fin Nifty, in addition to Nifty and Bank Nifty. We have introduced bulk order modifications, a groundbreaking feature that enables users to simultaneously edit multiple orders. This feature is revolutionary for high-volume traders and marks an industry-first launch. Furthermore, we have optimized our option chain journeys to facilitate straddle and bulk orders, allowing users to effortlessly place multiple orders with a single click directly from the option chain.

We also launched our new Micro Charts, which is now integrated and available across all our platforms in Beta. Traders can now expect improved SLAs and throughputs when placing large orders during peak periods.

Integrating multiple platforms

Our company has incorporated several new features into our innovative trading platform FnO 360. These include F&O stacks, open interest data, advanced option chains, futures and options screeners, India VIX, and more. Traders no longer have to visit multiple platforms for data analysis; they can now conduct

Management Discussion and Analysis (Contd.)

comprehensive market analysis and place orders directly through our platform.

Robust risk and cyber security management

To enhance our operational risk management framework and protect against cyber-attacks and threats to our systems, networks, and databases, we have developed a robust Cyber Security and Cyber Resilience policy in line with the SEBI circular. Under this policy, we conduct regular system audits by recognized auditors from the exchange/depositories. The audit reports, along with the necessary action taken reports, are reviewed by our audit committee.

Additionally, our management conducts periodical reviews of various technology concerns and risks, which include the protection of sensitive customer data, identity theft, cybercrimes, data leakage, business continuity, and access controls.

Prioritizing customer's data security

To mitigate a range of security risks, we have implemented several tools and measures. These include privileged identity management to control access, advanced malware detection and protection, end-point encryption, mobile device management, network firewalls for cyber-attack protection, web application firewalls to prevent hacking, secure remote access from non-office networks, brand protection, dark web monitoring for safeguarding organizational and customer data, and secured internet access.

Sustained Regulatory Compliance

Being in the business of financial services, our company needs to comply with various regulatory compliances which include SEBI, BSE, NSE, CDSL, and NSDL on the digital and technological front. Our company has maintained a clean compliance record without any reported deviations.

HUMAN RESOURCE

At 5paisa Capital, our employees are the fundamental pillar of our existence. We have always been extremely proud of the quality and commitment of our talent pool. We nurture, empower, and upskill our employees by providing them with a large canvas of opportunities and encouraging them to innovate beyond the realms of their imagination.

Our Company's Human Resources (HR) policies are centered on the comprehensive development and advancement of its competent and diverse workforce. The employees are the primary force behind our expansion in all market categories. Training and employee motivation are the most essential business components for our business.

Encourages our employees to broaden their professional horizons in order to climb the corporate ladder by providing

meaningful opportunities for learning and advancement. To increase productivity and efficiency, our employees with the best performances are also rewarded. As of March 31, 2023, there were 548 permanent employees.

Nurturing a culture of continuous learning

We continue to invest in developing our employees' capabilities and proficiencies, with a significant focus on future-ready skills. As industries advance, technologies change and market dynamics shift for which organizations must adapt to stay competitive. This makes continuous learning and development imperative for the growth and success of the organization. We constantly scan the market for changes and, as per our business strategy, align our workforce to the transforming landscape by equipping them with relevant skillsets through training.

To improve the knowledge and skills of our people, we have developed various training modules. For our Sales and Business Broking employees, we have implemented a Sales Induction Training program. Additionally, we have introduced the NISM (National Institute of Securities Markets) Certification process for support functions such as Product Development, Operations, Business Broking, and Technology.

Attracting and retaining talent

As a leading fintech organization, we have become a sought-after employer for high achievers and innovators eager to develop cutting-edge products for modern retail businesses. To achieve this goal, we prioritize recruiting top-tier talent from premier organizations. Additionally, our campus program for interns and lateral hires is tailored to attract high performers from leading engineering and management institutes for various roles at 5paisa Capital. Our company emphasizes leveraging social media platforms to reach a broader audience and effectively promote our work culture and transparent dealings.

To retain talent, we provide competitive salaries and benefits, including performance-linked bonuses, Employee Stock Ownership Plans (ESOPs), and health insurance coverage such as Mediclaim, Personal Accident, and Term insurance. During the year, our total training hours stand at 64 hours.

Diversity, inclusion and equal opportunity

Having a diverse workplace is crucial for driving innovation and improving decision-making. Recognizing the importance of a diverse workforce, we are dedicated to implementing initiatives that promote diversity and inclusion within our organization.

All our employees are bound by our company's policies, practices, and processes. Our people are treated fairly, irrespective of their age, race, religion, creed, color, national origin or ancestry, physical or mental disability, marital status, gender, gender identity/expression, sexual orientation,

Management Discussion and Analysis (Contd.)

ethnicity, indigenous belonging, minority, political belonging, socio-economic status or any other basis safeguarded under any law or ordinance or regulation.

Health and well-being

A motivated and healthy workforce is pivotal to achieving business success. Initiatives centered around health and well-being are critical for retaining top talent, ensuring employee satisfaction, and effectively managing turnover and absenteeism. In the past financial year, we organized periodic health check-up camps and provided comprehensive mediclaim coverage to offer financial protection and support during healthcare emergencies, thereby enhancing the well-being of our employees.

Employee engagement

At 5paisa, we nurture our employees to become the leaders of tomorrow. We prioritize effective personal communication across all levels of the organization, complemented by regular town hall meetings. Our internal and external employee survey programs provide authentic feedback, guiding us in addressing gaps and enhancing employee engagement.

At 5paisa, we believe that our people are our greatest asset. As a forward-thinking organization, we are committed to creating an inclusive, engaging, and dynamic work environment where our employees can thrive. Our HR initiatives for FY 2023-24 are a testament to this commitment, showcasing our dedication to employee well-being, development and satisfaction.

At 5paisa, a pivotal element of our success lies in our exceptional leadership. Our leaders champion a culture that is transparent, meritocratic and performance-driven, which significantly aids in attracting and nurturing a talented workforce. By harnessing the power of advanced technology, we continuously seek to enhance productivity, work efficiency and overall effectiveness. This commitment to leveraging innovative tools and practices ensures that our team operates at the highest levels of performance, driving the company's growth and success.

ENABLING OUR PEOPLE

- Adopted all Employees welfare schemes (Gratuity, PF, Medical insurance etc.)
- Strengthened hiring practices to ensure a diverse and inclusive workforce, focusing on underrepresented groups
- Launched new e-learning platform offering technical skills, and personal development
- Organized virtual and in-person team-building activities to strengthen teamwork and collaboration

- Provided extensive training on data privacy and cybersecurity to protect sensitive information and ensure compliance with industry standards
- Held quarterly award ceremonies to celebrate outstanding achievements and contributions across the organization
- Upgraded to a unified HR management system, offering employees easy access to their profiles, performance reviews, and benefits
- Launched initiatives celebrating various cultural backgrounds and promoting an inclusive workplace environment

At 5paisa, we prioritize the continuous growth and development of our employees, recognizing that a knowledgeable and skilled workforce is crucial to our success. Our comprehensive training programs are designed to empower employees with the confidence and independence needed to excel in their roles.

We leverage cutting-edge technology to deliver diverse learning experiences, including e-learning modules, video-based training, simulation learning, and mobile-based courses. These innovative methods ensure that our employees stay ahead of evolving industry trends and regulatory requirements.

In our commitment to compliance and ethical practices, we offer training on vital topics such as Anti-Money Laundering, Prevention of Sexual Harassment, Prevention of Insider Trading, Anti-Bribery & Corruption, and Information Security. These modules underscore our dedication to maintaining a safe and ethical work environment.

Moreover, we believe in celebrating cultural festivities as a team, fostering a sense of unity and camaraderie. By promoting collaboration and teamwork, we create a positive and inclusive workplace where every employee feels valued and motivated.

Through these initiatives, 5paisa is committed to nurturing talent, driving innovation, and ensuring that our employees have the resources they need to thrive and contribute to our collective success.

SWOT ANALYSIS

Strengths

Strong Digital Business Model

At 5paisa, our digital business model is defined by innovation, scalability, and a focus on our clients. We have embraced digital transformation across all aspects of our operations, providing clients with a seamless and personalized experience.

Management Discussion and Analysis (Contd.)

Robust Trading Platform

Our trading platform is distinguished by its user-friendly interface, advanced features, and efficient trade execution capabilities. It is tailored to meet the diverse needs of investors and traders, offering a comprehensive suite of services. Furthermore, we incorporate the latest technology into our trading platform and mobile application to provide a seamless experience for our customers.

Diversified Product Offering

5paisa Capital Limited, a leading fintech broker, provides an extensive range of financial products and services to meet the diverse needs of its clients. The company's offerings include stock broking, systematic investment plans (SIPs), initial public offerings (IPOs), commodities, currencies, mutual funds, direct funds, and robo-advisory services. Additionally, 5paisa offers access to US stocks, algo trading, and a learning platform for individuals seeking to enhance their trading knowledge and skills.

Experienced leadership team

Our Board consists of Directors with deep expertise in the sector, and our management team has played a crucial role in navigating our company through both favorable and challenging times. With their guidance, we can anticipate future trends and are well on our way to realizing our full potential.

Weaknesses

Exposure to intense competition

The Indian brokerage industry is indeed highly competitive, with various players vying for market share and offering a range of services to attract and retain clients. The industry comprises full-service brokers, discount brokers, and hybrid brokers, each catering to different segments of investors with distinct business models and service offerings.

Opportunities

Growing digital financial services sector

The rapid growth of India's digital financial services sector is fueled by several factors. These include the expanding adoption of smartphones and the Internet, a rising demand for convenient and cost-effective financial services, and regulatory reforms that have simplified the provision of digital services by financial institutions.

Growing young and middle class population

India's youthful and expanding population, coupled with rising affluence, has spurred a surge in demand for financial products and services. Moreover, the rapid expansion of the Indian middle class is paving the way for a burgeoning market for financial offerings.

Favorable government initiatives

The Digital India initiative has spurred the growth of online platforms and mobile applications, which 5paisa Capital utilizes in its operations. Capital market regulations introduced by SEBI and other regulatory bodies have enhanced transparency, investor protection, and market integrity, benefiting 5paisa Capital and other market participants.

Additionally, government policies supporting fintech, such as the Fintech Regulatory Sandbox, have facilitated the development and testing of innovative fintech solutions. Furthermore, through the Start-up India initiative, 5paisa Capital can leverage various incentives and benefits offered to start-ups, further enhancing its growth prospects.

Threats

Global economic slowdown

The global economic slowdown is expected to adversely affect the macro environment, potentially resulting in decreased liquidity and corresponding orders that could impact the industry's growth rate.

Upgrading technologies

Technology obsolescence poses a significant risk to 5paisa Capital, particularly in the fast-evolving landscape of financial services. As technology advances, older systems and software can become outdated, leading to inefficiencies, security vulnerabilities, and a lag in offering innovative solutions to clients. This can result in a loss of competitive edge, decreased customer satisfaction, and potential regulatory issues if the technology fails to meet compliance standards.

Regulatory changes and uncertainties

The threat of regulatory changes is a major concern for 5paisa Capital, given its operations in the highly regulated capital market industry. Regulatory uncertainties, including policy and regulatory changes, can significantly impact the company's operations and financial performance. Therefore, it is crucial for 5paisa Capital to stay informed about regulatory developments and ensure compliance to mitigate the potential impact of regulatory changes on its business.

Some of the key regulatory changes in so far as it relates to the segments in which we operate during FY 2023-24 are summarized below:

- With effect from July 01, 2023, SEBI has designated certain stock brokers as QSBs (Qualified Stock Brokers). This designation is based on a number of factors including size and scale of operations. QSBs are required to meet enhanced obligations and discharge responsibilities to ensure appropriate governance structure, risk management policy and processes, scalable infrastructure

Management Discussion and Analysis (Contd.)

and a proper framework for cyber security and investor services including online complaint redressal mechanism. In adherence to the said regulations, 5paisa Capital Limited is also recognized as a Qualified Stock Broker with effect from July 01, 2023.

- SEBI has taken measures to safeguard customer funds with stockbrokers and clearing members, mandating daily upstreaming of funds to the Clearing Corporations. The primary objective of the said change is to mitigate fund-related risks by placing surplus funds in low-risk instruments and providing independent daily confirmations to investors.
- To minimize the leverage risk and risk to client's funds, SEBI mandated all stock brokers that no new Bank Guarantees (BGs) to be created out of clients' funds effective from May 01, 2023 and all existing BGs created out of clients' funds to be wound down by September 30, 2023.
- SEBI revised the regulations on short selling for both institutional and retail investors, aiming to improve transparency.
- BSE Limited (BSE) and National Stock Exchange of India Limited (NSE), under the guidance of SEBI, have established a technology-driven platform to streamline the process of data backup and repository concerning IPO, FPO (Follow on Public Offer), Rights Issue, and other capital market activities. This platform will serve as a repository for due diligence documents compiled and maintained by merchant bankers for various capital market transactions.
- SEBI introduced Online Dispute Resolution (ODR) as the primary method for resolving disputes in the Indian

Securities market. The circular issued by SEBI provides a detailed framework for escalating cases to ODR, selecting ODR institutions, conducting various ODR processes, defining timelines for each process, and determining the associated costs.

- SEBI reduced the timeline for listing shares on stock exchanges after the closure of IPOs from T+6 days to T+3 days. This reduction in timelines – voluntary for public issues opening on or after September 01, 2023 and mandatory for issues after December 01, 2023 – benefits both issuers and investors.
- SEBI, through its Master Circular dated October 16, 2023, has outlined a comprehensive framework for Offer for Sale (OFS) of shares to employees via the stock exchange mechanism. Previously, OFS to the eligible company employees occurred outside the stock exchange mechanism. To enhance efficiency, ease compliance, and reduce costs, SEBI has amended the procedure, allowing promoters to offer shares to employees in OFS through the Stock Exchange Mechanism. This process, effective from February 23, 2024, aligns employee OFS with the retail category on T+1 day.

FINANCIAL PERFORMANCE

We showcased robust financial performance during the year, with our total revenue reaching ₹ 3,947 million, marking a growth of 16.3%. Additionally, our other operating income saw a significant increase of 52%, amounting to ₹ 946 million. However, this growth was accompanied by a rise in expenses, as employee costs surged by 51% due to the onboarding of new talent, and finance costs increased by 39% year-over-year, driven by changes in exchange-related laws. Despite these challenges, we reported a Profit After Tax (PAT) of ₹ 544 million for FY 2023-24, compared to ₹ 436 million in FY 2022-23, reflecting our strong financial management and operational efficiency.

Consolidated Financial Statement (₹ in million)

Particulars	March 31, 2024 Audited	March 31, 2023 Audited
1 Income		
a. Brokerage Income	1,592	1,435
b. Allied Broking Income	1,175	1,107
c. Cross Sales Income	235	229
Other Operating Incomes	945	623
Total Revenue	3,947	3,394
2 Expenses		
Employee Benefits Expense	895	591
Finance Cost	286	206
Depreciation and Amortization Expense	95	88
Others	1,950	1,928
Total Expenses	3,226	2,813

Management Discussion and Analysis (Contd.)

Particulars	March 31, 2024 Audited	March 31, 2023 Audited
3 Profit before tax (1+2)	721	581
4 Tax Expenses		
Current Tax	195	83
Deferred Tax	(18)	62
Total Tax Expenses	177	145
5 Profit for the period (3-4)	544	436

Key Financial Ratios (Consolidated)

Key Ratios	FY 2023-24	FY 2022-23
Debt/Equity Ratio (x)	0.62	0.37
Return on Net Worth	10.9%	10.4%
Interest Coverage Ratio (x)	3.86	4.24
Net Profit Ratio	14.0%	13.0%
Return on Capital Employed	11.0%	10.0%

OPERATIONAL PERFORMANCE

In FY 2023-24, 5paisa Capital Limited demonstrated strong operational performance, highlighted by substantial growth across key metrics. The company achieved its highest-ever revenue of ₹ 395 crore, marking a 16% year-over-year increase. This growth was driven by a 21% increase in the total client base, which expanded to 4.2 million, and an 86% surge in the average daily turnover (ADTO), which reached ₹ 3.5 trillion. Additionally, the company's average client funding book grew by 30%, reflecting its successful efforts to scale its digital acquisition and engagement strategies. Despite increased employee costs and finance expenses, 5paisa Capital reported a 25% year-over-year growth in profit after tax, amounting to ₹ 54 crore.

RISK MANAGEMENT





Risk management is crucial for our organization as it preserves value, enhances decision-making, and ensures business continuity and resilience. It promotes compliance, cultivates reputation, and boosts stakeholder confidence, all while driving long-term sustainability and competitive advantage.

Our Company adheres to the "three lines of defense" (3 LOD) model to ensure efficient risk management. This model designates management control at the business entity level as the first line of defense, followed by the implementation of various risk control and compliance oversight functions by management as the second line of defense. The third line consists of the internal audit/assurance function.

The company faces a range of risks, which stem from either inherent aspects of the business or changes in the external environment. Below, we outline some of these risks along with the measures taken to mitigate them:

Key Risk	Description	Mitigation
 Market Risk	Our digital broking financial services can be significantly impacted by macroeconomic conditions that can parallelly dent the growth of the Indian capital market. Our revenue, operations, and profitability are heavily influenced by market conditions, regulatory and geopolitical environment, and interest rates, play a major role in the trading volume in India. A sustained market downturn would likely reduce the volume of transactions we execute for customers, resulting in decreased revenue.	Continuous monitoring of market trends, economic indicators, and geopolitical developments allows us to adjust our strategies promptly. Also, our company offers a diverse product range through our services.

Management Discussion and Analysis (Contd.)

Key Risk	Description	Mitigation
 <p>Regulatory Risk</p>	<p>At 5paisa Capital, we operate within a highly competitive landscape, and our company has oversight from numerous statutory bodies, regulators, and regulations. Heightened regulatory scrutiny and adverse regulatory changes could potentially disrupt our operations. Moreover, any breach or failure to comply with regulatory standards may lead to revocation, penalties, and reputational damage.</p>	<p>Our company has a dedicated compliance team that offers real-time support to corporate functions in response to significant changes in compliance standards. Furthermore, we employ elaborate internal review processes to ensure adherence to statutory requirements and industry standards.</p>
 <p>Technology Risk</p>	<p>Technology risk includes potential adverse outcomes resulting from challenges with technology infrastructure, data security, and cyber threats. These issues have the potential to cause financial losses and harm to the organization's reputation.</p>	<p>Our company invests heavily in technology and cyber security measures, we conduct regular risk assessments, and maintain business continuity plans. Our company has also obtained the necessary certificates and has maintained compliance with applicable laws and regulations for cyber security and data privacy.</p>
 <p>Operational Risk</p>	<p>Our company is at risk of losing revenue and damaging its reputation if our internal processes, employees, or systems fail, or if external events occur. Any inaction, omission, miscommunication, misrepresentation, or misconduct on the part of a large number of personnel in various locations may result in a loss of our reputation and financial resources.</p>	<p>We have developed hierarchical and geographically dispersed risk control self-assessment methods and systems for our most vital business operations. We use a management information system (MIS) and periodic audits to monitor these procedures. This is further facilitated by a maker/checker procedure, which helps eliminate such risks to a significant degree.</p>
 <p>Human Resource Risk</p>	<p>Our company faces risks from employee misconduct, fraud, and operational errors, including unauthorized transactions, misreporting, and non-compliance. Despite precautions, such activities could go undetected, leading to legal and regulatory issues impacting our operations, finances, and reputation.</p>	<p>Our company mitigates risks by training employees thoroughly, ensuring they understand their roles and comply with policies. HR oversees labor law compliance and conducts rigorous background checks for new hires. We also use segregation of duties to reduce fraud risk.</p>

INTERNAL CONTROLS

Our company conducts its internal audit in accordance with the Annual Audit Plan approved by the Audit Committee. The audit scope encompasses all facets of our business, including regular front-end and back-end operations, as well as internal compliance. The focus of the audit is on process controls, the measures we have taken to monitor risks, and the detection of non-compliance, leakages, or fraud.

We have invested in ensuring that our internal audit and control systems are adequate and appropriate for the nature of our business, regulatory requirements, and the scale of our operations. Our internal control system is supported by concurrent and internal audits, as well as special audits and periodic reviews by management. For company-wide

internal audits, we have engaged an independent top audit firm, Mahajan and Aibara, Chartered Accountants, to provide a broader and more diverse verification approach and insights, thus enhancing the value derived from the audit process.

Additionally, we engage specialized audit firms to conduct specific or concurrent audits of critical functions, such as half-yearly internal audits mandated by SEBI/Exchanges/Depositories, DP processes, Know Your Customer (KYC) verifications, demat transfers, payouts verifications, systems audits, end-use verification audits, and verification of related party transactions, among others. We also comply with various specific audits mandated by regulatory authorities such as SEBI, Exchanges, and Depositories, with reports periodically submitted to these regulators.

Management Discussion and Analysis (Contd.)

The Board and Audit Committee review the overall risk management framework and the adequacy of internal controls established by the management team. The Audit Committee reviews major instances of fraud on a quarterly basis, and necessary actions are taken as required. It also focuses on implementing the necessary systems and controls to strengthen the system and prevent such occurrences. Our internal processes are designed to ensure adequate checks and balances and regulatory compliance at every stage. The internal audit team conducts risk-based audits of these processes to provide assurance on the adequacy and effectiveness of internal controls for the prevention, detection, reporting, and remediation of non-compliances and fraud.

INTERNAL FINANCIAL CONTROLS

We have implemented robust internal controls related to financial statements and operations, which are currently operating effectively. The Internal Auditors conducted tests on 66 key financial controls, including Finance & Accounts, Fixed Assets, Administration, HR Payroll, Retail Broking, and compliance areas, and found no significant weaknesses. Additionally, the Statutory Auditors examined the systems and processes, validating the adequacy of the Internal Financial Controls system over financial reporting, which is also operating effectively.

OUTLOOK

The Indian economy remained resilient and currently holds an advantageous position within the global economy, which has become relatively uncertain, with international shocks affecting nations worldwide. Looking ahead, India is set to benefit from a young demographic inclined toward digital technology, which

continues to permeate various business facets, particularly the financial sector. Individuals and enterprises stand to gain from faster, more transparent, and more efficient services in this segment of the economy.

With a surge in new investors and listings, the capital markets, especially the stock markets, have experienced significant activity, including rising participation at the individual and institutional level and numerous IPOs throughout the year. With the equity culture expands, our company is strategically positioned to cater to a growing customer base nationwide, especially in tier 2 and 3 towns and villages. This advantage is supported by substantial investments in people, processes, and technology made in prior years. Our company remains committed to delivering consistent performance and staying at the forefront of trends in the capital market and brokerage segment, utilizing its technological edge.

CAUTIONARY STATEMENT

This document contains some statements about expected future events, financial and operating results 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 a significant risk that the assumptions, predictions and other forward-looking statements will 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 statement.

Independent Auditor's Report

To the Board of Directors of **Spaisa Capital Limited**

Report on the Audit of Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statement of **SPAISA CAPITAL LIMITED** ("the "Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date and notes to the financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as the "Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024 and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone 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 Standalone Financial Statements under the provisions of the Act and the Rules made 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 obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	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 therefore identified IT systems and controls over financial reporting as a key audit matter for the Company.	We obtained an understanding of the Company's IT control environment relevant to the audit. We tested the design, implementation and operating effectiveness of the Company's General IT controls over the key IT systems which are critical to financial reporting. We also tested key automated and manual controls and logic for system generated reports relevant to the audit that would materially impact the financial statements. In addition to above, we have also relied on the work of the internal auditors and system auditors.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report and Management Discussion and Analysis report but does not include the financial statements and our auditor's report thereon. The Director's report and Management Discussion and Analysis report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Director's report and Management Discussion and Analysis report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

These Standalone financial statements have been prepared on the basis of the standalone annual financial statements of the Company. 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 net profit and other comprehensive income and other financial information of the 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 Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statement 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 Standalone 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 Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the Standalone Financial Statements of the Company to express an opinion on the Standalone financial Statements.

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 the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
 2. As required by Section 143(3) of the Act, based on our audit we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid Standalone Financial Statements comply with the Ind AS specified under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls with reference to Standalone Financial Statements 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:
 - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements- Refer Note No 30 of the Standalone Financial Statements;
 - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses- Refer Note No 42(c) of the Standalone Financial Statements;
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company- Refer Note No 42(d) of the Standalone Financial Statements;
 - (iv) (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries - Refer Note No 42(a) of the Standalone 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
- 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.

by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries - Refer Note No 42(b) of the Standalone 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) Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated

throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of the audit trail feature being trampled with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

For **V. Sankar Aiyar & Co.,**
Chartered Accountants
(FRN 109208W)

Asha Patel
Partner
(M.No.166048)
UDIN: 24166048BKFDHU3163

Place: Mumbai
Date: April 24, 2024

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 accounts for the year ended 31st March 2024

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- (i) In respect of the Company's property, plant and equipment, right-of-use assets and intangible assets:
- (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and relevant details of right-of-use assets.
- (B) The Company has maintained proper books showing full particulars of intangible assets.
- (b) The Company has a program of physical verification of property, plant and equipment and right-of-use assets so to cover all the assets once every three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain property, plant and equipment and right-of-use assets were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed 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, 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) (a) According to the information and explanations given to us, during the year company has provided loans to the companies, firms, Limited Liability Partnerships or any other parties as follows :

Particulars	Amount in Millions
Aggregate amount granted / provided during the year	
– Others	1,08,352.60
– Subsidiaries	NIL
– Other related parties	NIL
Balance Outstanding as at Balance Sheet date in respect of above cases	
– Others	1,756.34
– Subsidiaries and other related parties	NIL

The Company has not made any investment in, provided any guarantee or security 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) of the Order is not applicable to the Company.

- (b) During the year the terms and conditions of the grant of all loans to companies, firms, Limited Liability Partnerships or any other parties are not prejudicial to the Company's interest.

During the year the Company has not made investments, provided guarantees, given security and granted advances in the nature of loans and guarantees to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on these is not applicable to the Company.

- (c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has not been stipulated and in the absence of such schedule, we are unable to comment on the regularity of the repayments of principal amounts and payment of interest. (Refer reporting under clause (iii) (f) below)

The Company has not granted advances in the nature of loans during the year to companies, firms, Limited Liability Partnerships or any other parties where the schedule of repayment of principal and payment of interest has been stipulated. Accordingly, the requirement to report on this is not applicable to the Company.

- (d) There are no amounts of loans granted to companies, firms, limited liability partnerships or any other parties which are overdue for more than ninety days.

The Company has not granted advances in the nature of loans during the year to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on this is not applicable to the Company.

- (e) There were no loans granted to companies, firms, Limited Liability Partnerships or any other parties which was fallen due during the year, that have been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.

The Company has not granted advances in the nature of loans during the year to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on this is not applicable to the Company.

- (f) The Company has granted loans or advances repayable on demand or without specifying any terms or period of repayment to companies or other parties. Of these following are the details of the aggregate amount of loans granted to promoters or related parties as defined in clause (76) of Section 2 of the Companies Act, 2013.

(Amount in million)

Particulars	All Parties	Related Parties	Promoters
Aggregate amount of loans		-	-
- Repayable on demand	1,08,352.60	-	-
Percentage of loans to total loans	100%	-	-

The Company has not granted advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to Companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on these is not applicable to 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 and based on our verification of the records of the Company, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees state insurance, income tax, service tax, sales tax, value added tax, goods and services tax, cess and other statutory dues as applicable to the Company with the appropriate authorities. Further as explained to us, there are no undisputed statutory dues outstanding for more than six months as at March 31, 2024 from the date they became payable;

- (b) According to the information and explanations given to us and records of the Company examined by us, there are no cases of non-deposit of disputed dues of sales tax or goods and services tax or duty of customs or duty of excise.

- (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 wilful defaulter by any bank or financial institution or government or any government authority.

- (c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is 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 used during the year for long-term purposes by the Company.

- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

- (f) The Company has not raised any loans during the year and hence reporting on clause 3(ix)(f) of the Order is not applicable.

- (x) According to the information and explanation given to us,
- (a) The Company has not raised moneys by way of initial public offer or further public offer or public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- (xi) According to the information and explanation given to us,
- (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) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (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) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the Standalone Financial Statements as required by the applicable accounting standards.
- (xiv) According to the information and explanation given to us,
- (a) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- (xv) In our opinion, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence the provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) According to the information and explanation given to us,
- (a) In our opinion, 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 is not applicable.
- (b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) In our opinion and on the basis of examination of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the balance sheet date as and when they fall due within a period of one year from the balance sheet date. We however state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) According to information and explanation given to us and records examined by us, in respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to Section 135(5) of the Act. This matter has been disclosed in note 37 to the standalone financial statements the Company does not have other than ongoing projects. Hence reporting under clause 3(xx)(a) of the Order is not applicable.
- (b) According to information and explanation given to us and records examined by us, in respect of ongoing projects, the Company does not have any unspent Corporate Social Responsibility (CSR) amount. Hence reporting under clause 3(xx)(b) of the Order is not applicable.

For **V. Sankar Aiyar & Co.,**
Chartered Accountants
(FRN 109208W)

Asha Patel
Partner
(M.No.166048)
UDIN: 24166048BKFDHU3163

Place: Mumbai
Date: April 24, 2024

Annexure B 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 2024

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

We have audited the internal financial controls with reference to standalone financial statements of 5Paisa Capital Limited ("the Company") as of March 31, 2024 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 with reference to these standalone financial statements 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 issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these standalone financial statements 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

with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to these standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning Of Internal Financial Controls with reference to these Standalone Financial Statements

A company's internal financial controls with reference to these Standalone Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements 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 with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2024 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: 24166048BKFDHU3163

Place: Mumbai
Date: April 24, 2024

Standalone Balance Sheet

As at March 31, 2024

Particulars	Note No.	(₹ in Millions)	
		As at March 31, 2024	As at March 31, 2023
I ASSETS			
(1) Financial Assets			
(a) Cash and cash equivalents	3	706.24	201.11
(b) Bank balance other than (a) above	4	15,660.64	12,801.71
(c) Receivables			
(i) Trade receivables	5	0.29	0.47
(d) Loans	6	1,756.34	1,726.54
(e) Investments	7	43.44	142.58
(f) Other financial assets	8	1,909.29	1,292.57
Sub total		20,076.24	16,164.98
(2) Non-Financial Assets			
(a) Current tax assets (net)		10.93	0.15
(b) Deferred tax assets (net)	9	86.70	58.53
(c) Property, Plant and Equipment	10(a)	71.25	92.14
(d) Other intangible assets	10(b)	26.36	40.94
(e) Intangible assets under development	10(c)	4.10	–
(f) Right of use assets	11	146.90	21.31
(g) Other non-financial assets	12	56.59	66.87
Sub total		402.83	279.94
Total		20,479.07	16,444.92
II LIABILITIES AND EQUITY			
LIABILITIES			
(1) Financial Liabilities			
(a) Payables			
(i) Trade payables			
(i) Total outstanding dues of micro enterprises and small enterprises		0.31	0.34
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	13	6.63	11.25
(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	791.69	567.35
(b) Borrowings (Other than debt securities)	14	3,363.17	1,692.83
(c) Other financial liabilities	15	10,746.01	9,391.41
Sub total		14,907.81	11,663.18
(2) Non-Financial Liabilities			
(a) Current tax Liabilities (net)		56.01	12.54
(b) Provisions	16	19.23	15.66
(c) Other non-financial liabilities	17	87.95	85.84
Sub total		163.19	114.04
(3) EQUITY			
(a) Equity share capital	18	311.91	306.36
(b) Other equity	19	5,096.16	4,361.34
Sub total		5,408.07	4,667.70
Total		20,479.07	16,444.92
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 : April 24, 2024

For and on behalf of Board of Directors

Narayan Gangadhar

Managing Director & Chief Executive Officer
(DIN :- 09298665)

Gourav Munjal

Whole Time Director & CFO
(DIN : 06360031)

Namita Godbole

Company Secretary

Standalone Statement of Profit and Loss

For the year ended March 31, 2024

(₹ in Millions)

Particulars	Note No.	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue from operations			
(a) Interest income	20	1,351.98	1,018.89
(b) Fees and commission income	21	2,593.33	2,358.92
(I) Total revenue from operations		3,945.31	3,377.81
(a) Other income	22	0.27	3.66
(II) Total income		3,945.58	3,381.47
(III) Expenses			
(a) Finance cost	23	285.68	206.34
(b) Impairment of financial Instruments	24	35.06	–
(c) Employee benefits expense	25	895.06	590.64
(d) Depreciation, amortization and impairment	26	94.71	80.40
(e) Other expenses	27	1,948.40	1,926.54
(III) Total expenses		3,258.91	2,803.92
(IV) Profit/(Loss) before exceptional items and tax (II-III)		686.67	577.55
(V) Exceptional items		–	–
(VI) Profit/(Loss) before tax (IV-V)		686.67	577.55
(VII) Tax expense:	28		
(1) Current tax		195.28	82.91
(2) Deferred tax		(27.14)	61.67
(VIII) Profit/(Loss) for the year (VI-VII)		518.53	432.97
Other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss		(4.08)	(3.53)
(ii) Income tax relating to items that will not be reclassified to profit or loss		1.03	0.89
(IX) Other Comprehensive Income		(3.05)	(2.64)
(X) Total Comprehensive Income for the year (VIII) + (IX)		515.48	430.33
Earnings per equity share of face value of ₹ 10 each			
Basic in (₹)	29	16.81	14.33
Diluted in (₹)		15.88	14.25
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 : April 24, 2024

For and on behalf of Board of Directors

Narayan Gangadhar
 Managing Director & Chief Executive Officer
 (DIN :- 09298665)

Gourav Munjal
 Whole Time Director & CFO
 (DIN : 06360031)

Namita Godbole
 Company Secretary

Statement of Changes in Equity

For the year ended March 31, 2024

A. Equity Share Capital

(₹ in Millions)

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of Shares	(₹ in Millions)	No. of Shares	(₹ in Millions)
Equity Shares				
At the beginning of the year	30,635,568	306.36	29,417,318	294.17
Changes in Equity Share Capital due to prior period errors	–	–	–	–
Restated Balance at the beginning of the previous reporting period	30,635,568	306.36	29,417,318	294.17
Changes in equity share capital during the year *	555,405	5.55	1,218,250	12.19
Closing at the end of year	31,190,973	311.91	30,635,568	306.36

* During the year 5,55,405 equity shares has been issued to the employees of the Company under employee stock option scheme. (In Previous year 18,250 equity shares has been issued to the employees of the Company under employee stock option scheme & 12,00,000 shares have been issue on preferential basis).

B. Other Equity

(₹ in Millions)

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, 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
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)	4,361.34
Changes in accounting policy or prior year errors	–	–	–	–	–	–	–	–
Restated balance at the beginning April 1, 2023	–	7.97	4,123.37	47.71	114.69	71.68	(4.08)	4,361.34
Profit for the year	–	–	–	–	518.53	–	–	518.53
Other comprehensive Income for the year	–	–	–	–	–	–	(3.05)	(3.05)
Premium of equity shares issued (net of share issue expenses)*	–	–	151.77	–	–	–	–	151.77
Additions during the year	–	–	–	–	–	67.57	–	67.57
Balance as at March 31, 2024	–	7.97	4,275.14	47.71	633.22	139.25	(7.13)	5,096.16

* Securities Premium reserve of ₹ 151.77 million (P.Y. ₹ 590.97 million) is created during the year due to issue of shares under equity stock option scheme & 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 : April 24, 2024

For and on behalf of Board of Directors

Narayan Gangadhar

Managing Director & Chief Executive Officer

(DIN :- 09298665)

Gourav Munjal

Whole Time Director & CFO

(DIN : 06360031)

Namita Godbole

Company Secretary

Standalone Cash Flow Statement

For the year ended March 31, 2024

(₹ in Millions)

	For the year ended March 31, 2024	For the year ended March 31, 2023
Cash Flows From Operating Activities		
Profit before tax	686.67	577.55
Adjustments for:		
Depreciation, amortisation and impairment	94.71	80.40
Employee benefit expenses - share based	67.57	6.68
Employee benefit expenses - others	12.55	10.22
Finance Cost	285.68	206.34
Impairment of financial Instruments	35.06	–
(Gain)/Loss on financial assets measured at fair value	(0.13)	11.08
Interest Income	–	3.64
(Gain)/Loss on sale of PPE & Intangible Assets	(0.27)	0.09
Operating profit before working capital changes	1,181.84	896.00
(Increase)/Decrease in Trade Receivables	0.18	(0.47)
(Increase)/Decrease in Loans	(29.80)	789.99
Increase/(Decrease) in Other Non financial Liabilities	2.11	11.28
(Increase)/Decrease in Other Financial Assets	(616.72)	(221.28)
Increase/(Decrease) in Other Financial Liabilities	1,354.60	470.35
(Increase)/Decrease in Other Non-Financial Assets	10.28	(15.42)
(Increase)/Decrease in Bank Deposits	(2,858.93)	(1,690.68)
Increase/(Decrease) in Provisions	(12.03)	(8.42)
Increase/(Decrease) in Trade Payable	(4.65)	1.80
Increase/(Decrease) in Other Payable	224.34	51.28
Cash generated/(used in) from operations	(748.78)	284.43
Taxes paid	(163.62)	(34.87)
Net cash generated/(used in) from operating activities (A)	(912.40)	249.56
Cash Flows From Investing Activities		
Purchase of PPE & Intangible Assets	(194.16)	(135.65)
Sale of PPE & Intangible Assets	5.50	6.58
Purchase of Investments	1,232.23	1,843.13
Sale of Investments	(1,168.01)	(1,801.19)
Net cash flow generated/(used in) investing activities (B)	(124.44)	(87.13)
Cash Flows From Financing Activities		
Increase/(Decrease) in Share Capital/Share Premium & Warrants(Net)	157.32	453.16
Bank overdraft Taken/(Repaid)	1,670.34	(1,096.93)
Inter corporate deposits Taken	5,800.00	7,000.00
Inter corporate deposits Repaid	(5,800.00)	(7,000.00)
Finance Cost	(285.68)	(206.34)
Net cash flow generated/(used in) financing activities (C)	1,541.98	(850.11)
Net increase/(decrease) in Cash and Cash Equivalents (A+B+C)	505.13	(687.68)
Cash and Cash Equivalents at beginning of Year	201.11	888.79
Cash and Cash Equivalents at end of Year	706.24	201.11
Net Increase/(Decrease) in Cash and Cash Equivalents	505.13	(687.68)
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

Place : Mumbai
 Dated : April 24, 2024

For and on behalf of Board of Directors

Narayan Gangadhar
 Managing Director & Chief Executive Officer
 (DIN :- 09298665)

Gourav Munjal
 Whole Time Director & CFO
 (DIN : 06360031)

Namita Godbole
 Company Secretary

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 2024 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 30th March 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, 2024 are being authorized for issue in accordance with a resolution of the directors on April 24, 2024.

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

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2024 (Contd.)

will flow into the Company and the cost of the item can be measured reliably.

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

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

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

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

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2024 (Contd.)

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 derecognition 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.

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2024 (Contd.)

Financial assets

Initial recognition and measurement:

Trade Receivables, Loans and Deposits are initially recognized when they are originated. The Company recognizes a financial asset in its Balance Sheet when it becomes party to the contractual provisions of the instrument.

All financial assets are recognized initially at fair value, plus in the case of financial assets not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial asset. However, trade receivables that do not contain a significant financing component are measured at transaction price.

Where the fair value of a financial asset at initial recognition is different from its transaction price, the difference between the fair value and the transaction price is recognized as a gain or loss in the Statement of Profit and Loss at initial recognition if the fair value is determined through a quoted market price in an active market for an identical asset (i.e. level 1 input) or through a valuation technique that uses data from observable markets (i.e. level 2 input).

In case the fair value is not determined using a level 1 or level 2 input as mentioned above, the difference between the fair value and transaction price is deferred appropriately and recognized as a gain or loss in the Statement of Profit and Loss only to the extent that such gain or loss arises due to a change in factor that market participants take into account when pricing the financial asset.

Trade receivables that do not contain a significant financing component are measured at transaction price.

Subsequent measurement:

For subsequent measurement, the Company classifies a financial asset in accordance with the below criteria:

- i) The Company business model for managing the financial asset and
- ii) The contractual cash flow characteristics of the financial asset.

Based on the above criteria, the Company classifies its financial assets into the following categories:

- i) Financial assets measured at amortized cost
- ii) Financial assets measured at fair value through other comprehensive income (FVTOCI)
- iii) Financial assets measured at fair value through profit or loss (FVTPL)

i. Financial assets measured at amortized cost:

A financial asset is measured at the amortized cost if both the following conditions are met:

- a) The Company business model objective for managing the financial asset is to hold financial assets in order to collect contractual cash flows, and
- b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

For the purpose of SPPI test, principal is the fair value of the financial asset at initial recognition. That principal amount may change over the life of the financial asset (e.g. if there are repayments of principal). Interest consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin. The SPPI assessment is made in the currency in which the financial asset is denominated. Contractual cash flows that are SPPI are consistent with a basic lending arrangement. Contractual terms that introduce exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are SPPI. An assessment of business models for managing financial assets is fundamental to the classification of a financial asset. The Company determines the business models at a level that reflects how financial assets are managed together to achieve a particular business objective. The Company business model does not depend

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2024 (Contd.)

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.

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 carried at cost less any Provision for impairment. Investments are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable

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

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2024 (Contd.)

changes are recognized in the Statement of Profit and Loss. Further, the Company, through an irrevocable election at initial recognition, has measured certain investments in equity instruments at FVTPL. The Company has made such election on an instrument by instrument basis. These equity instruments are neither held for trading nor are contingent consideration recognized under a business combination. Pursuant to such irrevocable election, subsequent changes in the fair value of such equity instruments are recognized in Statement of Profit 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.

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2024 (Contd.)

Subsequently, if the credit quality of the financial asset improves such that there is no longer a significant increase in credit risk since initial recognition, the Company reverts to recognizing impairment loss allowance based on 12-month ECL.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls) discounted at the original effective interest rate.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. 12-month ECL area portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date.

ECL are measured in a manner that they reflect unbiased and probability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

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

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2024 (Contd.)

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.

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

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2024 (Contd.)

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.

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.

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2024 (Contd.)

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.

l) Provisions and Contingencies:

The Company recognizes provisions when a present obligation (legal or constructive) as a result of a past event exists and it is probable that an outflow of resources embodying economic benefits will be required to settle such obligation and the amount of such obligation can be reliably estimated. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of reporting period, taking into account the risk & uncertainties surrounding the obligation.

If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

The Company in the normal course of its business, comes across client claims/ regulatory penalties/ inquiries, etc. and the same are duly clarified/ 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 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:

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2024 (Contd.)

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 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.

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2024 (Contd.)

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 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 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

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2024 (Contd.)

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 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.

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2024 (Contd.)

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 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.

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2024 (Contd.)

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 25.

d. Fair value measurement of Financial Instruments

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques, including the discounted cash

flow model, which involve various judgements and assumptions.

e. Impairment of financial assets

The provision for expected credit loss involves estimating the probability of default and loss given default based on the Company own experience & forward looking estimation.

f. Provision for litigations

In estimating the final outcome of litigation, the Company applies judgment in considering factors including experience with similar matters, past history, precedents, relevant and other evidence and facts specified to the matter. Application of such judgment determines whether the Company requires an accrual or disclosure in the financial statements.

g. Fair valuation of employee share options

The fair valuation of the employee share options is based on the Black-Scholes model used for valuation of options. Key assumptions made with respect to expected volatility includes share price, expected dividends and discount rate, under this option pricing model. Further details are disclosed in 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 fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset, even if that right is not explicitly specified in the arrangement.

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2024 (Contd.)

Note 3 : Cash and cash equivalents

(₹ in Millions)

Particulars	As at March 31, 2024	As at March 31, 2023
Cash & cash equivalents:		
– Cash in hand	–	–
– Cheques in hand	–	–
Balances with bank:		
– in current accounts	15.08	5.06
– in client accounts	691.16	196.05
Total cash & cash equivalents	706.24	201.11

Note 4 : Bank balance other than above

(₹ in Millions)

Particulars	As at March 31, 2024	As at March 31, 2023
Fixed Deposits (Non - Lien marked)	–	–
Fixed Deposits (Lien marked)*	15,660.64	12,801.71
Total	15,660.64	12,801.71

*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, 2024	As at March 31, 2023
(i) Trade receivables		
– Receivables considered Good - unsecured	0.29	0.47
– Receivables which have significant increase in credit risk	–	–
– Receivables - credit impaired	–	–
Total (i) Gross	0.29	0.47
Less : Impairment loss allowance	–	–
Total (i) Net	0.29	0.47

- 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 31st March 2024 & 31st March 2023.
- No trade receivables and other receivables are interest bearing.

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2024 (Contd.)

Trade Receivables Ageing Schedule as on 31 March 2024

(₹ 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	0.29	–	–	–	–	0.29
Receivables which have significant increase in credit risk	–	–	–	–	–	–
Receivables - credit impaired	–	–	–	–	–	–

Trade Receivables Ageing Schedule as on 31 March 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	–	–	–	–	–	–

Note 6 : Loans

(₹ in Millions)

Particulars	As at March 31, 2024	As at March 31, 2023
Loans repayable on demand		
Margin trading facility balances*	1,756.34	1,726.54
Total	1,756.34	1,726.54

* 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, 2024	As at March 31, 2023
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	5.00
Total	78.50	78.50
Less : Provision for Impairment	(35.06)	–
Net Investment (A)	43.44	78.50
B) At fair value through profit or loss		
Exchange Traded Fund		
EQ - ABSLBANETF	–	1.01
EQ - ABSLNN50ET	–	1.52

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2024 (Contd.)

(₹ in Millions)

Particulars	As at March 31, 2024	As at March 31, 2023
EQ - BSLNIFTY	–	0.34
EQ - DSPN50ETF	–	2.30
EQ - DSPNEWETF	–	1.23
EQ - DSPQ50ETF	–	4.08
EQ - HEALTHY	–	1.11
EQ - LICNETFN50	–	2.27
EQ - LICNETFSEN	–	2.06
EQ - LICNFNHGP	–	2.82
EQ - SBIETFCON	–	3.63
EQ - SBIETFIT	–	2.60
EQ - SBIETFPB	–	2.46
EQ - TECH	–	0.49
EQ- SBIETFQLTY	–	1.00
EQ- UTISXN50	–	2.87
EQ-BSLSENETFG	–	0.37
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
EQ-SETFBANK EQ	–	0.77
EQ-SETFBSE100	–	2.46
EQ-SETFNIFTY EQ	–	2.92
EQ-SETFNIFTYNEXT 50 EQ	–	5.62
EQ-SETFSN50	–	1.59
EQ-UTIBANKETF	–	1.61
EQ-UTINEXT50	–	2.48
EQ-UTINIFTYETF	–	1.45
EQ-UTISENSEXETF	–	2.20
Total (B)	–	64.08
Total (A+B)	43.44	142.58
– Investment outside India	–	–
– Investment in India	43.44	142.58
Total	43.44	142.58

* The Company has opted to measure investment in subsidiaries at deemed cost less any Provision for impairment as per Ind AS 27.

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2024 (Contd.)

Note 8 : Other financial Assets

(₹ in Millions)

Particulars	As at	
	March 31, 2024	March 31, 2023
Deposit/Margin with exchanges	91.53	43.56
Clients and Exchanges receivables (net of provision) #	1,363.18	992.12
Security deposit with landlords and others*	20.15	13.47
Interest accrued on deposits and investments	434.43	235.59
Receivable from related parties (Refer note 34)	–	7.83
Total	1,909.29	1,292.57

Includes receivable from director and key managerial personnel ₹ 0.00 million. (March 31, 2023 ₹ 0.00 million)

* Include deposit with related party of ₹ 9.80 million (P.Y. - ₹ 11.39 million) Refer note 34.

Note 9 :- Deferred tax assets (net)

(₹ in Millions)

Particulars	As at March 31, 2024			
	Opening balance as at April 1, 2023	Recognised in profit or loss (net)	Recognised in/reclassified from OCI	Closing balance as at March 31, 2024
Deferred tax assets:				
Depreciation on property, plant and equipment	(2.22)	4.32	–	2.10
Provisions for expected credit loss	47.79	11.09	–	58.88
Compensated absences and retirement benefits	5.84	4.90	1.03	11.77
Amortisation of Income	8.73	5.28	–	14.01
Total deferred tax assets (a)	60.14	25.59	1.03	86.76
Deferred tax liabilities:				
Unrealised profit on investments	(0.82)	–	–	(0.82)
On Lease Rentals as per tax	(0.79)	1.55	–	0.76
Total deferred tax liabilities (b)	(1.61)	1.55	–	(0.06)
Deferred tax assets (a) + (b)	58.53	27.14	1.03	86.70

(₹ 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 as at March 31, 2023
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)	–	–
Amortisation of Income	4.95	3.78	–	8.73
Total deferred tax assets (a)	124.24	(64.99)	0.89	60.14

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2024 (Contd.)

(₹ in Millions)

Particulars	As at March 31, 2023			Closing balance as at March 31, 2023
	Opening balance as at April 1, 2022	Recognised in profit or loss (net)	Recognised in/reclassified from OCI	
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

Note 10(a) : Property, Plant and Equipment

Tangible Assets:

(₹ in Millions)

Particulars	Computer	Electrical Equipment	Furniture & Fixture	Office Equipment	Total
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
Additions	28.94	–	1.36	2.11	32.41
Disposals/Adjustments	3.02	0.92	0.72	0.84	5.50
As at March 31, 2024	187.53	1.11	10.58	8.60	207.82

Accumulated Depreciation:

(₹ in Millions)

Particulars	Computer	Electrical Equipment	Furniture & Fixture	Office Equipment	Total
As at March 31, 2022	39.92	2.16	3.14	2.63	47.85
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
Depreciation charge for the year	49.60	0.07	1.81	1.31	52.79
Deductions/Adjustments	2.62	0.81	0.72	0.84	4.99
As at March 31, 2024	126.16	1.10	5.20	4.11	136.57

Net Book Value:

(₹ in Millions)

Particulars	Computer	Electrical Equipment	Furniture & Fixture	Office Equipment	Total
As at March 31, 2023	82.43	0.19	5.83	3.69	92.14
As at March 31, 2024	61.37	0.01	5.38	4.49	71.25

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2024 (Contd.)

Note 10(b) : Other intangible assets (other than internally generated):

(₹ in Millions)

Particulars	Software	Total
Cost:		
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
Additions	4.67	4.67
Deductions/Adjustments	–	–
As at March 31, 2024	77.76	77.76
Accumulated Depreciation:		
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
Depreciation charge for the year	19.25	19.25
Deductions/Adjustments	–	–
As at March 31, 2024	51.40	51.40

Net Book Value:

(₹ in Millions)

Particulars	Software	Total
As at March 31, 2023	40.94	40.94
As at March 31, 2024	26.36	26.36

NOTE 10(c) : Intangible Assets Under Development

Intangible assets under development ageing schedule as at March 31, 2024

(₹ in Millions)

Particulars	Amount for a period of			
	Less than 1 year	1-2 years	2-3 years	Total
Projects in progress	4.10	–	–	4.10
Projects temporarily suspended	–	–	–	–
Total	4.10	–	–	4.10

Intangible assets under development ageing schedule as at March 31, 2023

(₹ in Millions)

Particulars	Amount for a period of			
	Less than 1 year	1-2 years	2-3 years	Total
Projects in progress	–	–	–	–
Projects temporarily suspended	–	–	–	–
Total	–	–	–	–

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2024 (Contd.)

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, 2024:

(₹ in Millions)

Particulars	Premises	Vehicle	Total
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
Balance as at April 01, 2023	21.31	–	21.31
Additions to right of use assets	148.27	–	148.27
Deletions to right of use assets	–	–	–
Depreciation	22.68	–	22.68
Closing Balance as at March 31, 2024	146.90	–	146.90

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, 2024

(₹ in Millions)

Particulars	Premises	Vehicle	Total
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
Balance as at April 01, 2023	24.46	–	24.46
Additions	148.27	–	148.27
Deletion	–	–	–
Finance cost accrued during the year	5.02	–	5.02
Payment of lease liabilities	(27.82)	–	(27.82)
Balance as at March 31, 2024	149.93	–	149.93

C) Following is the break up value of the Current and Non - Current Lease Liabilities for the year ended March 31, 2024:

(₹ in Millions)

Particulars	Premises	Vehicle	Total
Current lease liabilities	29.60	–	29.60
Non-current lease liabilities	120.33	–	120.33
Balance as at March 31, 2024	149.93	–	149.93

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2024 (Contd.)

(₹ in Millions)

Particulars	Premises	Vehicle	Total
Current lease liabilities	17.73	–	17.73
Non-current lease liabilities	6.73	–	6.73
Balance as at March 31, 2023	24.46	–	24.46

D) Table showing details regarding the contractual maturities of lease liabilities as at March 31, 2024 on an undiscounted basis:

(₹ 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
As at March 31, 2024			
Less than one year	29.60	–	29.60
One to two years	26.14	–	26.14
Two to five years	94.19	–	94.19
Total	149.93	–	149.93

E) Amounts recognised in profit or loss for the year.

(₹ in Millions)

Particulars	Amount
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
For the year ended March 31, 2024	
Interest on lease liabilities	5.02
Expenses relating to leases of low-value assets, excluding short-term leases of low value assets	–
Total	5.02

F) Amounts recognised in profit or loss for the year ended March 31, 2023

(₹ in Millions)

Particulars	Amount
For the year ended March 31, 2023	
Total cash outflow for leases	(25.56)
For the year ended March 31, 2024	
Total cash outflow for leases	(27.82)

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2024 (Contd.)

Note 12 : Other Non-Financial Assets

(₹ in Millions)

Particulars	As at March 31, 2024	As at March 31, 2023
Prepaid expenses	48.83	35.90
Other advances	7.76	30.97
Total	56.59	66.87

Note 13 : Payables

(₹ in Millions)

Particulars	As at March 31, 2024	As at March 31, 2023
(I) Trade Payable		
(i) Total outstanding dues of micro enterprises and small enterprises "	0.31	0.34
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises "	6.63	11.25
Total (a)	6.94	11.59
(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	0.61	–
(b) Accrued salaries & benefits	6.27	0.57
(c) Provision for expenses	784.81	566.78
Total (b)	791.69	567.35
Total (a+b)	798.63	578.94

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, 2024	As at March 31, 2023
(a) Principal amount remaining unpaid to any supplier at the year end	0.31	0.34
(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, 2024 (Contd.)

Trade payable Ageing schedule as at 31 March 2024

(₹ 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	–	0.31	–	–	–	0.31
(ii) Others - undisputed	791.69	6.63	–	–	–	798.32
(iii) Disputed dues - MSME	–	–	–	–	–	–
(iv) Disputed dues - Others	–	–	–	–	–	–
Total	791.69	6.94	–	–	–	798.63

Trade payable Ageing schedule as at 31 March 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

Note 14 : Borrowings (other than Debt Securities)

(₹ in Millions)

Particulars	As at March 31, 2024	As at March 31, 2023
At amortised cost		
(a) Loans repayable on demand (from banks) : Secured		
– Working capital demand loan	1,500.00	300.00
– Bank Overdraft	1,863.17	1,392.83
(b) Other loans : Unsecured		
– Loan from related parties (Refer note 34)	–	–
Total (c) = (a)+ (b)	3,363.17	1,692.83
Borrowings in India	3,363.17	1,692.83
Borrowings outside India	–	–
Total	3,363.17	1,692.83

(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 secured against Bank deposit Please refer to note 31 for details of asset pledged.
- (ii) Loan from related parties are unsecured.

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2024 (Contd.)

(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 (0.90% to 1.85%), 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 11.00% to 11.50% p.a. as approved by the board.

Note 15 : Other Financial Liabilities

(₹ in Millions)

Particulars	As at March 31, 2024	As at March 31, 2023
Clients and Exchanges payables #	10,529.34	9,348.16
Payable to related parties (Refer note 34)	10.95	–
Lease liability	149.93	24.46
Provision for gratuity (funded)	13.44	4.99
Other payable	36.12	9.43
Interest Accrued but not due	6.23	4.37
Total	10,746.01	9,391.41

Include payable to directors & key managerial personnel of ₹ 0.24 million (P.Y. ₹ 0.10 million)

Note 16 : Provisions

(₹ in Millions)

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for leave encashment	19.23	15.66
Total	19.23	15.66

Note 17 : Other Non-Financial Liabilities

(₹ in Millions)

Particulars	As at March 31, 2024	As at March 31, 2023
Statutory dues	32.32	51.16
Income received in advance	55.63	34.68
Total	87.95	85.84

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2024 (Contd.)

Note 18 : Equity Share Capital

a. The Authorised, Issued, Subscribed and Paid up Share Capital:

(₹ in Millions)

Particulars	As at	
	March 31, 2024	March 31, 2023
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		
3,11,90,973 (Previous Year 3,06,35,568) Equity Shares of ₹ 10/- each fully paid-up	311.91	306.36

b. Reconciliation of the shares outstanding at the beginning and at the end of the year:

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of Shares	(₹ in Millions)	No. of Shares	(₹ in Millions)
Equity Shares				
At the beginning of the year	30,635,568	306.36	29,417,318	294.17
Add: Shares issued during the year*	555,405	5.55	1,218,250	12.19
Closing at the end of year	31,190,973	311.91	30,635,568	306.36

* During the year 5,55,405 equity shares has been issued to the employees of the Company under employee stock option scheme. (In Previous year 18,250 equity shares has been issued to the employees of the Company under employee stock option scheme & 12,00,000 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:

(₹ in Millions)

Particulars	As at March 31, 2024		As at March 31, 2023	
	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	24.59	7,670,130	25.04
Nirmal Bhanwarlal Jain	6,205,088	19.89	6,205,088	20.25
HWIC Asia Fund Class A Shares	2,570,186	8.24	2,570,186	8.39
WF Asian Reconnaissance Fund Limited	2,905,906	9.32	2,905,906	9.49
Madhu N Jain	1,845,016	5.92	1,845,016	6.02

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2024 (Contd.)

e. Details of shares held by promoters at as on 31 March 2024

(₹ in Millions)

Promoter name	Number of shares	% of total shares	% Change during the year
Mr. Nirmal Jain	6,205,088	19.89%	(1.78)%
Mr. Venkataraman Rajamani	1,269,594	4.07%	(1.39)%
Mrs. Madhu N Jain	1,845,016	5.92%	(1.78)%
Aditi Avinash Athavankar (in her capacity as a trustee of Kalki Family Private Trust)	720,000	2.31%	(1.78)%
Ardent Impex Pvt Ltd	108,000	0.35%	(1.78)%
Orpheus Trading Pvt. Ltd.	52,000	0.17%	(1.78)%
Mrs. Aditi Athavankar	16,000	0.05%	(1.78)%
Nirmal Madhu Family Pvt Trust	15,000	0.05%	0.05%

f. Details of shares held by promoters at as on 31 March 2023

(₹ in Millions)

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%

- g. 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.
- h. Shares reserved for issue under options and contracts / commitments for sale of shares / disinvestments, including the terms and amount, refer note 35 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, 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

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2024 (Contd.)

(₹ 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		
Total comprehensive income for the year	-	-	-	-	518.53	-	(3.05)	515.48
Transfer from/to reserve	-	-	-	-	-	-	-	-
Additions during the year * (Net of share issue expenses)	-	-	151.77	-	-	67.57	-	219.34
Balance as at March 31, 2024	-	7.97	4,275.14	47.71	633.22	139.25	(7.13)	5,096.16

* Securities Premium reserve of ₹ 151.77 million (P.Y. ₹ 590.97 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 : 12,00,000 Share Warrant exercisable (convertible) in one or more tranches, anytime within period of eighteen months into equal number of equity shares of face value of ₹ 10/- each of the 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 on 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 to be granted by the Company and outstanding as at balance sheet date.

Note 20 : Interest Income

(₹ in Millions)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest on deposits with banks *	994.08	650.87
Interest on loan (Margin Funding Facilities)	357.90	368.02
Total	1,351.98	1,018.89

*Includes interest received on fixed deposit with bank which are pledged with exchanges for margin purpose requirement.

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2024 (Contd.)

Note 21 : Fees and Commission Income

(₹ in Millions)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Brokerage & related income	2,387.56	2,139.09
Commission & other advisory fees (including cross sell)	205.77	219.83
Total	2,593.33	2,358.92

Note 22 : Other Income

(₹ in Millions)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest Income on		
– others	–	3.64
Gain on derecognition of property, plant and equipment	0.27	–
Other Income	–	0.02
Total	0.27	3.66

Note 23 : Finance cost measured at amortised cost

(₹ in Millions)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest on borrowings	242.23	162.67
Other borrowing cost	43.45	43.67
Total	285.68	206.34

Note 24 : Impairment of financial assets

(₹ in Millions)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Impairment of financial Assets	35.06	–
Total	35.06	–

Note 25 : Employee benefit expenses

(₹ in Millions)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Salaries/wages and bonus	742.11	548.15
Contribution to provident and other funds	21.96	20.39
Share based payments *	112.22	6.53
Staff welfare expenses	6.22	5.35
Gratuity (Asper report)	4.42	3.70
Leave encashment (Asper report)	8.13	6.52
Total	895.06	590.64

*After considering reversal of unvested options lapsed during the year.

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2024 (Contd.)

As per Indian Accounting Standard 19 "Employee benefits", the disclosures as defined are given below:

A) Defined Benefit Plans:

(i) Reconciliation of opening and closing balances of Defined Benefit Obligation

(₹ in Millions)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Defined benefit obligation as at beginning of year	24.10	17.51
Interest cost	1.78	1.20
Current service cost	4.05	3.59
Service Cost	–	–
Liability transferred In/ acquisitions	–	0.34
(Liability transferred out/ divestments)	(0.05)	(0.06)
(Benefit paid directly by the Employer)	–	–
(Benefit paid from the fund)	(3.38)	(1.29)
Actuarial (gains)/losses on obligations - due to change in demographic assumptions	–	–
Actuarial (gains)/losses on obligations - due to change in financial assumptions	0.89	(2.50)
Actuarial (gains)/losses on obligations - due to experience	3.66	5.31
Defined benefit obligation at the end of the year	31.05	24.10

(ii) Reconciliation of opening and closing balances of fair value of Plan Assets

(₹ in Millions)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Change in the fair value of plan assets		
Fair value of plan assets at the beginning of the year	19.10	16.03
Interest income	1.41	1.09
Contributions by the employer	–	4.00
Expected return on plan assets (excluding interest)	–	–
Assets transferred in/acquisitions	–	–
(Benefit paid from the fund)	(3.38)	(1.29)
Return on plan Assets, excluding interest income	0.48	(0.72)
Fair value of plan assets at the end of the year	17.61	19.10

(iii) Amount Recognized in the Balance Sheet

(₹ in Millions)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
(Present Value of Benefit Obligation at the end of the year)	(31.05)	(24.10)
Fair value of Plan Assets at the end of the year	17.61	19.11
Funded Status - Surplus / (Deficit)	(13.44)	(4.99)
Net (liability)/Asset recognized in the balance sheet (surplus/ (deficit))	(13.44)	(4.99)

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2024 (Contd.)

(iv) Expenses recognised during the year

(₹ in Millions)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
In Income statement		
Current service cost	4.05	3.59
Net interest cost	0.37	0.10
Past service cost	–	–
Expense recognised in the Statement of Profit and Loss under “Employee benefits expenses”	4.42	3.70
In other comprehensive income		
Actuarial (gains)/Losses on obligation for the period	4.55	2.81
Return on plan assets, excluding interest income	(0.48)	0.72
Change in asset ceiling	–	–
Net (income)/expense for the year recognized in OCI	4.07	3.53

(v) Balance sheet reconciliation

(₹ in Millions)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening net liability	4.99	1.48
Expenses Recognized in Statement of Profit or Loss	4.42	3.70
Expenses Recognized in OCI	4.07	3.53
Net Liability/(Asset) Transfer In	–	0.34
Net (Liability)/Asset Transfer Out	(0.05)	(0.06)
(Benefit Paid Directly by the Employer)	–	–
(Employer's Contribution)	–	(4.00)
Net liability/(asset) recognized in the balance sheet	13.44	4.99

(vi) Investment Details

(₹ in Millions)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Category of assets		
Insurance fund	17.61	19.11
Total	17.61	19.11

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2024 (Contd.)

(vii) Actuarial assumptions

(₹ in Millions)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Expected return on plan assets	7.21%	7.39%
Rate of discounting	7.21%	7.39%
Rate of salary increase	10.00%	10.00%
Rate of employee turnover	For service 4 years and below 42.00% p.a. For service 5 years and above 1.00% p.a.	For service 4 years and below 42.00% p.a. For service 5 years and above 1.00% 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.

- (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, 2024	For the year ended March 31, 2023
Projected Benefit Obligation on Current Assumptions	31.05	24.10
Delta Effect of +1% Change in Rate of Discounting	(4.77)	(4.11)
Delta Effect of -1% Change in Rate of Discounting	5.14	4.23
Change in Salary Escalation Rate		
Delta Effect of +1% Change in Rate of Salary Increase	3.93	3.25
Delta Effect of -1% Change in Rate of Salary Increase	(3.45)	(3.06)
Change in Employee Turnover Rate		
Delta Effect of +1% Change in Rate of Employee Turnover	(0.80)	(0.48)
Delta Effect of -1% Change in Rate of Employee Turnover	0.94	0.57

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.

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2024 (Contd.)

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.

(ix) Maturity Analysis of the Benefit Payments: From the Fund

(₹ in Millions)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Projected benefits payable in future years from the date of reporting :		
1st Following Year	4.64	0.95
2nd Following Year	0.25	0.26
3rd Following Year	0.29	0.28
4th Following Year	0.32	0.32
5th Following Year	0.36	0.35
Sum of Years 6 To 10	3.55	2.25
Sum of Years 11 and above	116.54	102.48

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, 2024	For the year ended March 31, 2023
Contribution to provident fund	15.50	12.17
Contribution to ESIC	0.34	0.93
Contribution to labour welfare fund	0.03	0.03
Contribution to EPS	5.23	6.17
Contribution to NPS	0.85	1.10
Total	21.96	20.39

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2024 (Contd.)

Note 26 : Depreciation, amortization and impairment

(₹ in Millions)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Depreciation on property, plant and equipment and Right of use *	75.46	66.78
Amortization of intangible assets	19.25	13.62
Total	94.71	80.40

* Depreciation includes depreciation on right of use assets (Refer note 11)

Note 27 : Other Expenses

(₹ in Millions)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Advertisement & Marketing Expenses (Including branding)	533.90	558.44
Books & Periodicals Charges	0.40	1.06
Exchange and Statutory Charges *	126.24	173.09
Bank Charges	3.20	1.57
Communication Expense	37.96	32.38
Electricity Charges	16.87	13.48
Professional Charges	396.76	317.31
Office Expenses	95.07	97.37
Meeting and Seminar expenses	4.78	1.26
Directors Remuneration/Sitting Fees	4.09	1.67
Postage And Courier	0.33	0.93
Printing And Stationery	0.91	1.65
Bad-Debts written off	2.07	51.79
Expected Credit Loss	9.00	34.77
Insurance	0.33	0.41
Rates & Taxes	7.59	1.52
Repairs & Maintenance		
– Computer	0.01	0.21
– Others	1.33	1.45
Remuneration To Auditors :		
– As Auditors - Statutory Audit	1.70	1.30
– Certification Work And Other Matters	–	0.16
Software Charges	675.84	605.05
Travelling and Conveyance	21.40	16.07
Loss On Financial Assets Measured At Fair Value Through Profit & Loss Account	–	11.08
Corporate Social Responsibility Expense (Refer note 37)	6.72	2.16
Miscellaneous Expenses	1.90	0.36
Total	1,948.40	1,926.54

* 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 FY23, 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".

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2024 (Contd.)

Note 28 : Income Tax

Amount Recognised in profit or (loss)

(₹ in Millions)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Current tax expenses		
Current Year	195.28	82.91
Changes in estimates related to prior years	–	–
Deferred tax expenses		
Origination and reversal of temporary differences	(27.14)	61.67
Total	168.14	144.58

Reconciliation of effective tax rates :

(₹ in Millions)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Profit before tax	686.67	577.55
Tax using domestic tax rates	25.17%	25.17%
Tax amount	172.82	145.36
Tax effect of :		
Non-deductible expenses	1.78	0.58
Tax-exempt income	(1.16)	(1.12)
Recognition of previously unrecognised deductible temporary differences	(5.30)	(0.24)
Total Income Tax Expense	168.14	144.58

Note 29 : Earning Per Share (EPS)

(₹ in Millions)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Face value of equity shares in ₹ fully paid up	10	10
BASIC		
Profit after tax as per statement of profit and loss (A)	518.53	432.97
Weighted average number of equity shares outstanding (B)	30,851,127	30,214,614
Basic Earning per Share (₹) A/B	16.81	14.33
DILUTED		
Weighted average number of equity shares for computation of basic EPS	30,851,127	30,214,614
Add: Potential equity shares on account conversion of Employees Stock Options	1,811,026	178,274
Weighted average number of equity shares for computation of diluted EPS (C)	32,662,153	30,392,888
Diluted Earning per Share (₹) A/C	15.88	14.25

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2024 (Contd.)

Note 30 :- Capital, Other Commitments and Contingent Liabilities at Balance Sheet date:

Capital and other commitment

(₹ in Millions)

Particulars	As at March 31, 2024	As at March 31, 2023
(i) Capital Commitment	43.38	10.87
(ii) Other Commitment	–	–

Contingent Liabilities

(₹ in Millions)

Particulars	As at March 31, 2024	As at March 31, 2023
(i) Bank Guarantees	4,600.00	4,970.00
(ii) In respect of Legal Case/Penalties *	3.66	2.27
Total	4,603.66	4,972.27

* Consequent to on-site inspection for the period from April 2022 to December 2023, on March 7, 2024, MCX issued a show cause notice towards their observation of non-reporting of certain incidents as technical glitches to the Exchange. The company vide letter dated March 14, 2024 responded to the said show cause notice. However, MCX vide their letter dated March 14, 2024, restrained the company from admitting new clients with immediate effect for 15 days or till the submission of RCA, whichever is higher.

Aggrieved by the said order, the company filed a writ petition with the Hon'ble High Court Mumbai. The High Court vide its order dated March 15, 2024 disposed off the writ petition filed by the company, on the condition that MCX to give the company an opportunity of being heard and pass appropriate order in accordance with law. MCX also made a statement in the High Court that the impugned letter dated March 14, 2024 would not be given effect to by them.

Thereafter, MCX issued a supplementary show cause notice dated March 15, 2024, which was appropriately responded to by the company. The company is confident that the action proposed including the penalty amount would get reviewed suitably by the Committee. However, the assessment of this litigation & outcome estimation is not possible to quantify in amount as on the signing date of balance sheet.

Note 31 :- Assets pledged as security

The carrying amounts of assets pledged as security for borrowings are:

(₹ in Millions)

Particulars	As at March 31, 2024	As at March 31, 2023
Financial assets		
First charge		
Fixed Deposits - lien marked	15,660.64	12,801.71
Other financial assets	2,670.18	2,378.85
Total assets pledged as security	18,330.82	15,180.56

Note 32 :- Financial Risk Management

32 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.

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2024 (Contd.)

Credit quality analysis

The following tables sets out information about the credit quality of financial assets measured at amortised cost, FVOCI debt investments. Unless specifically indicated, for financial assets, the amounts in the table represent gross carrying amounts.

(₹ in Millions)

Particulars	As at March 31, 2024			
	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	0.29	–	–	0.29
Less : Impairment loss allowance	–	–	–	–
Carrying amount	0.29	–	–	0.29
Investments	–	78.50	–	78.50
Less : Impairment loss allowance	–	(35.06)	–	(35.06)
Carrying amount	–	43.44	–	43.44
Other Financial Assets	1,883.87	36.31	187.99	2,108.17
Less : Impairment loss allowance	–	(10.89)	(187.99)	(198.88)
Carrying amount	1,884.16	68.86	–	1,953.02

(₹ in Millions)

Particulars	As at March 31, 2023			
	Financial Assets where loss allowance measured at 12-month ECL	Financial assets for which credit risk has increased significantly and credit not impaired	Financial assets for which credit risk has increased significantly and credit impaired	Total
Trade receivables	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

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 31,2022	98.73	56.51	155.24
Increase/(Decrease) net	(79.55)	114.19	34.64
March 31,2023	19.18	170.70	189.88
Increase/(Decrease) net	(8.29)	17.29	9.00
March 31,2024	10.89	187.99	198.88

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2024 (Contd.)

32 A.2. Collateral held

The Company holds collateral of securities and other credit enhancements against its credit exposures.

32 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 & that is available without undue cost or effort to determine the credit risk at the reporting date.

32 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.

(₹ in Millions)

Particulars	Carrying amount up to 1 year		Carrying amount from 1 year to 5 year	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Trade payables & other payable	798.63	578.94	–	–
Working capital demand Loan	1,500.00	300.00	–	–
Loan from related parties	–	–	–	–
Bank overdraft	1,863.17	1,392.83	–	–
Other financial liabilities	10,625.68	9,384.68	120.33	6.73
Total	14,787.48	11,656.45	120.33	6.73

32 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.

32 C.1. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest rate change does not affects significantly short term borrowing and current investment therefore the Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt and Non current investment.

Company business is volatile and hence borrowings are done bases on requirement, generally borrowings are done for short term and are on market based interest rate.

The following table shows sensitivity analysis for impact on interest cost.

(₹ in Millions)

Particulars	As at March 31, 2024	As at March 31, 2023
Bank overdraft	1,863.17	1,392.83
Working capital demand loan	1,500.00	300.00
Applicable rate & 12 months weighted average rate	9.27%	7.83%
Annualised interest cost	242.23	162.67

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2024 (Contd.)

Sensitivity analysis for impact on interest cost

(₹ in Millions)

Particulars	As at March 31, 2024	As at March 31, 2023
Increase in 1% change in ROI	25.85	17.58
Decrease in 1% change in ROI	(25.85)	(17.58)

32 C.2. Fair value sensitivity analysis for fixed-rate instruments

The Company does not have any fixed-rate instruments presented in financial liabilities.

32 C.3. Exposure to currency risks

The Company does not have any exposure to foreign exchange risk arising from foreign currency transaction.

32 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.

32 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.

(₹ in Millions)

Particulars	Exchange Traded Fund
Market Value as on March 31, 2024	–
Market Value as on March 31, 2023	64.08

The effect of upward or Downward movement of 5% in the price affects the projected net income by Nil (P.Y ₹ 3.20 million)

32 D. Capital Management

The company's objective when managing capital are to

- Safeguard their ability to continue as going concern, so that they can continue to provide returns for the share holders and benefits for other stake holders, and
- Maintain an optimal capital structure to reduce the cost of capital."

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using debt equity ratio.

The company's strategy is to maintain gearing ratio as per industry norms. The gearing ratio is as follows

(₹ in Millions)

Particulars	March 31, 2024	March 31, 2023
Total debt	3,363.17	1,692.83
Cash & cash equivalent (excluding client bank balance)	(15.08)	(5.06)
Net debt	3,348.09	1,687.77
Total equity	5,408.07	4,667.70
Net debt to equity	0.62	0.36

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2024 (Contd.)

32 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.

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.

32 E.1. : Fair Value of Financial Instruments - Financial Instrument by Category

(₹ in Millions)

Particulars	As at March 31, 2024			As at March 31, 2023		
	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	–	706.24	706.24	–	201.11	201.11
(b) Bank balance other than (a) above	–	15,660.64	15,660.64	–	12,801.71	12,801.71
(c) Receivables						
(I) Trade receivables	–	0.29	0.29	–	0.47	0.47
(II) Other receivables	–	–	–	–	–	–
(d) Loans	–	1,756.34	1,756.34	–	1,726.54	1,726.54
(e) Investments						
(i) Investment in equity shares of subsidiaries	–	43.44	43.44	–	78.50	78.50
(ii) Exchange Traded Fund	–	–	–	64.08	–	64.08
(f) Other financial assets		1,909.29	1,909.29	–	1,292.57	1,292.57
Total	–	20,076.24	20,076.24	64.08	16,100.90	16,164.98

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2024 (Contd.)

(₹ in Millions)

Particulars	As at March 31, 2024			As at March 31, 2023		
	Fair Value through Profit or loss	Amortised Cost	Carrying Value	Fair Value through Profit or loss	Amortised Cost	Carrying Value
Financial Liabilities						
(a) Trade payables	–	6.94	6.94	–	11.59	11.59
(b) Other payables	–	791.69	791.69	–	567.35	567.35
(c) Borrowings (Other than debt securities)	–	3,363.17	3,363.17	–	1,692.83	1,692.83
(d) Other financial liabilities	–	10,746.01	10,746.01	–	9,391.41	9,391.41
Total	–	14,907.81	14,907.81	–	11,663.18	11,663.18

32 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, 2024			
	Level 1	Level 2	Level 3	Total
Exchange Traded Fund	–	–	–	–
Total Assets	–	–	–	–

(₹ 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

32 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.

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2024 (Contd.)

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.

Particulars	As at March 31, 2024		
	Carrying Value	Fair Value	Fair Value Hierarchy
Assets			
Investment in Equity Share of Subsidiaries (net)	43.44	43.44	–
Cash and cash equivalents	706.24	706.24	–
Bank balance	15,660.64	15,660.64	–
Trade and other receivable	0.29	0.29	–
Loans	1,756.34	1,756.34	–
Security deposit	20.15	20.15	Level 3
Other financial asset	1,889.14	1,889.14	–
Total Assets	20,076.24	20,076.24	–
Liabilities			
Borrowings	3,363.17	3,363.17	–
Trade and other payables	798.63	798.63	–
Other financial liabilities	10,746.01	10,746.01	–
Total Liabilities	14,907.81	14,907.81	–

(₹ 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	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	–

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2024 (Contd.)

32 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
Purchase	1,232.23
Sale/Redemption of financial instrument	(1,296.45)
Total gain/(losses) recognised in profit and loss	0.13
Balances as at March 31, 2024	-

32 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 33 :- 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.

Note 34 :- 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. Narayan Gangadhar - CEO (w.e.f. May 25, 2023) & Managing Director (w.e.f. July 13, 2023)
	Mr Prakarsh Gagdani- Whole Time Director (up to Dec 31, 2023)
	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)

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2024 (Contd.)

Relationship	Name of the related party
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 June 15, 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) IIFL Securities Services IFSC Limited IIHFL Sales Limited** IIFL Securities Alternate Asset Management Limited IIFL Facilities Services Limited IIFL Capital Inc IIFL Open Fintech Private Limited IIFL Home Finance Limited IIFL Samasta Finance Limited 360 One Capital PTE. LTD. (Formerly known as IIFL Capital Pte. Limited) 360 One Wam Limited (Formerly known as IIFL Wealth Management Limited) 360 One Asset Management Limited (Formerly Known as IIFL Asset Management Limited) 360 One Alternates Asset Management Limited 360 One Prime Limited (Formerly Known as IIFL Wealth Prime 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) 360 One Foundation (Formerly known as IIFLW CSR Foundation) IIFL Wealth (UK) Limited 360 One Portfolio Managers Limited (Formerly known as IIFL Wealth Portfolio Managers Limited) 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 Mr. Venkataraman Rajamani Mrs. Aditi Athavankar (wife of Venkataraman Rajamani)

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2024 (Contd.)

Relationship	Name of the related party
	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
	Mr. Sharad Gagdani (father of Prakarsh Gagdani)
	Prakarsh Sharad Gagdani - HUF
	Mrs Kalpana Gagdani (mother of Prakarsh Gagdani)
	Mrs Punam Gagdani (wife of Prakarsh Gagdani)

* Name of 5paisa Insurance Brokers Limited changed to 5paisa Corporate Services Limited with effect from November 16,2022

** IIHFL Sales Limited is Step-down Subsidiary of IIFL Finance Limited

(B) Significant transactions with related parties during the year

Nature of transaction	(₹ in Millions)	
	2023-24	2022-23
Referral Income/Service Income/Brokerage Income/Depository Participate Income. etc. :-		
a) Directors , Key Managerial Persons & their relatives		
Mr Narayan Gangadhar (w.e.f May 25,2023)	0.00	-
Mr Prakarsh Gagdani (upto Dec 31,2023)	0.01	0.03
Mr Gourav Munjal	0.01	0.00
Mrs Namita Godbole	0.00	0.00
Prakarsh Sharad Gagdani - HUF	0.00	0.00
Mrs Kalpana Gagdani	0.01	0.03
Mrs Punam Gagdani	0.00	0.00
Mr Sharad Muralidhar Gagdani	0.00	0.00
Advisory Fees		
a) Other Related Parties		
IIFL Finance Limited	8.24	-
Security Deposit :-		
a) Other Related Parties		
IIFL Facilities Services Limited	9.75	7.81
IIFL Securities Limited	-	3.53
IIFL Management Services Limited	0.05	0.05
Security Deposit Repaid:-		
a) Other Related Parties		
IIFL Securities Limited	3.53	-
Remuneration :-		
Mr Narayan Gangadhar (w.e.f. May 25, 2023)	25.17	-
Mr. Prakarsh Gagdani (up to Dec 31, 2023)	19.65	17.57
Mr. Gourav Munjal	7.05	5.12
Mrs. Namita Godbole	6.55	5.11
Sitting Fees:-		
Dr.Archana Hingorani	0.95	0.38
Mrs Nirali Sanghi	0.93	0.41
Mr Milin Mehta	0.97	0.41
Mr Ravindra Garikipati	0.90	0.24

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2024 (Contd.)

(₹ in Millions)

Nature of transaction	2023-24	2022-23
Rent Expense :-		
a) Other Related Parties		
IIFL Facilities Services Limited	20.76	17.97
IIFL Securities Limited	0.88	6.18
IIFL Management Services Limited	0.18	0.05
Interest Expenses Inter Corporate Deposit:-		
a) Other Related Parties		
IIFL Finance Limited	9.44	34.72
IIFL Home Finance Limited	67.46	–
Inter Corporate Deposit Taken :-		
a) Other Related Parties		
IIFL Finance Limited	1,500.00	7,000.00
IIFL Home Finance Limited	4,300.00	
Inter Corporate Deposit Repaid :-		
a) Other Related Parties		
IIFL Finance Limited	1,500.00	7,000.00
IIFL Home Finance Limited	4,300.00	
Allocation / Reimbursement of expenses Paid :-		
a) Other Related Parties		
IIFL Finance Limited	20.50	15.53
IIFL Facilities Services Limited	17.25	14.57
IIFL Home Finance Limited	0.00	0.02
IIFL Securities Limited	41.73	54.53
Allocation / Reimbursement of expenses Received :-		
a) Other Related Parties		
IIFL Securities Limited	27.38	13.97
IIFL Finance Limited	3.70	0.42
IIFL Home Finance Limited	0.05	0.18
Others Paid :-		
a) Other Related Parties		
IIFL Securities Limited	0.22	2.13
IIFL Finance Limited	0.09	2.03
IIFL Home Finance Limited	0.10	0.22
Livlong Insurance Brokers Limited	0.00	0.07
Livlong Protection & Wellness Services Limited	0.00	0.02
Others Received :-		
a) Other Related Parties		
Livlong Insurance Brokers Limited	0.02	0.00
IIFL Securities Limited	0.24	3.71
IIFL Management Services Limited	–	0.09
IIFL Home Finance Limited	0.11	0.48
IIFL Finance Limited	0.12	2.19
IIFL Facilities Services Limited	0.00	0.02
Livlong Protection & Wellness Services Limited	0.02	0.59

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2024 (Contd.)

(C) Closing Balance

(₹ in Millions)

Nature of transaction	2023-24	2022-23
Sundry Payable :-		
a) Other Related Parties		
IIFL Facilities Services Limited	2.42	–
IIFL Management Services Limited	–	0.03
IIFL Securities Limited	5.26	–
IIFL Finance Limited	3.26	–
b) Directors & Relatives		
Mr Gourav Munjal	0.24	–
Security Deposit		
a) Other Related Parties		
IIFL Securities Limited	–	3.53
IIFL Facilities Services Limited	9.75	7.81
IIFL Management Services Limited	0.05	0.05
Sundry Receivable		
a) Other Related Parties		
IIFL Finance Limited	–	0.19
IIFL Home Finance Limited	0.00	–
IIFL Securities Limited	–	6.98
Livlong Insurance Brokers Limited	0.00	–
Livlong Protection & Wellness Services Limited	–	0.69
b) Director & Relatives		
Mr Narayan Gangadhar	0.00	–
Mr Gourav Munjal	–	0.00
Mrs Namita Godbole	0.00	0.00

Note: 35. 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.

a1) 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

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2024 (Contd.)

b) Movement of options during the year ended March 31, 2024

(₹ in Millions)

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, 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	–	–
Granted during the year	525,250	286.65 to 362.05	–	–
Forfeited during the year	–	–	–	–
Expired/Lapsed during the year	278,500	–	–	–
Exercised during the year #	555,405	157.30 to 371.30	202.88	–
Outstanding as on March 31, 2024	588,695	157.30 to 530	–	5.48
Exercisable as on March 31, 2024	588,695	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 5,55,405 options has been exercised by the employee. (P.Y 18,250 options)

a2) The details of various Employee Stock Option Schemes are as under:

Particulars	ESOP 2023
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	Three Years from the vesting date

b) Movement of options during the year ended March 31, 2024

(₹ in Millions)

Particulars	Option Outstanding (in numbers)	Range of exercise Price (in ₹)*	Weight average exercise price (in ₹)#	Weight average remaining contractual life (in Years)"
Granted during the year *	1,640,000	10	–	–
Forfeited during the year	–	–	–	–
Expired/Lapsed during the year	–	–	–	–
Exercised during the year	–	–	–	–
Outstanding as on March 31, 2024	1,640,000	10	–	4.83
Exercisable as on March 31, 2024	1,640,000	10	–	–

*Exercise price has been calculated after giving effect of additional options granted to employee consequent to rights issue as approved by the board.

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2024 (Contd.)

(c) *The Company has granted 5,25,250 ESOP and 16,40,000 RSU (P.Y. 2,31,600, Nil respectively) 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."

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 36:- The table below shows as analysis of assets and liabilities analyzed according to when they are expected to be recovered or settled.

(₹ in Millions)

Particulars	As at March 31, 2024			As at March 31, 2023		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS						
(1) Financial Assets						
(a) Cash and cash equivalents	706.24	–	706.24	201.11	–	201.11
(b) Bank Balance other than (a) above	15,657.39	3.25	15,660.64	12,241.91	559.80	12,801.71
(c) Receivables						
(I) Trade receivables	0.29	–	0.29	0.47	–	0.47
(II) Other receivables	–	–	–	–	–	–
(d) Loans	1,756.34	–	1,756.34	1,726.54	–	1,726.54
(e) Investments	–	43.44	43.44	64.08	78.50	142.58
(f) Other financial assets	1,797.61	111.68	1,909.29	1,235.54	57.03	1,292.57
Sub-total	19,917.87	158.37	20,076.24	15,469.65	695.33	16,164.98

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2024 (Contd.)

(₹ in Millions)

Particulars	As at March 31, 2024			As at March 31, 2023		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
(2) Non-Financial Assets						
(a) Current tax assets (net)	10.93	–	10.93	0.15	–	0.15
(b) Deferred tax assets (net)	–	86.70	86.70	–	58.53	58.53
(c) Property, Plant and Equipment	–	71.25	71.25	–	92.14	92.14
(d) Right to use assets	–	146.90	146.90	–	21.31	21.31
(e) Other intangible assets	–	26.36	26.36	–	40.94	40.94
(f) Capital work-in-progress	4.10	–	4.10	–	–	–
(g) Other non-financial assets	56.59	–	56.59	66.87	–	66.87
Sub-total	71.62	331.21	402.83	67.02	212.92	279.94
Total Assets	19,989.49	489.58	20,479.07	15,536.67	908.25	16,444.92
LIABILITIES						
(1) Financial Liabilities						
(a) Payables						
(I) Trade payables						
(i) Total outstanding dues of micro enterprises and small enterprises	0.31	–	0.31	0.34	–	0.34
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	6.63	–	6.63	11.25	–	11.25
(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	791.69	–	791.69	567.35	–	567.35
(b) Borrowings (Other than debt securities)	3,363.17	–	3,363.17	1,692.83	–	1,692.83
(c) Other financial liabilities	10,625.68	120.33	10,746.01	9,384.68	6.73	9,391.41
Sub-total	14,787.48	120.33	14,907.81	11,656.45	6.73	11,663.18
(2) Non-Financial Liabilities						
(a) Current tax Liabilities (net)	56.01	–	56.01	12.54	–	12.54
(b) Provisions	19.23	–	19.23	15.66	–	15.66
(c) Other non-financial liabilities	87.95	–	87.95	85.84	–	85.84
Sub-total	163.19	–	163.19	114.04	–	114.04
Total Liabilities	14,950.67	120.33	15,071.00	11,770.49	6.73	11,777.22
Net	5,038.82	369.25	5,408.07	3,766.18	901.52	4,667.70

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2024 (Contd.)

NOTE 37 : CORPORATE SOCIAL RESPONSIBILITY

During the period ended March 31, 2024 the Company has spent ₹ 6.72 million (P.Y. ₹ 2.16 million) out of the total amount of ₹ 6.72 million (P.Y. ₹ 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.

(₹ in Millions)

Particulars	As at March 31, 2024	As at March 31, 2023
Amount required to be spent by the company during the year	6.72	2.16
Amount of expenditure incurred	6.72	2.16
Shortfall at the end of the year	–	–
Total of previous years shortfall	N.A.	N.A.
Reason for shortfall	N.A.	N.A.
Nature of CSR activities	1. Promoting education	1. Promoting education 2. Training to promote National recognized sports 3. Promoting health care
Details of related party transactions	Contributed to India Infoline Foundation	Contributed to India Infoline Foundation , Child help foundation

Note 38 :-

- 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.
- The Wholly owned subsidiary of the Company namely 5paisa Insurance Brokers Limited was incorporated on Oct 27, 2018.
- 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 Jun 15 , 2022.

Note 39 :-

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'. Hitherto, 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.

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2024 (Contd.)

Note 40 :- 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 30th March 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 41 : 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 42 : 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.
- 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.

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2024 (Contd.)

Note 43 - Acquisition of Online Retail Trading Business of IIFL Securities

The Board of Directors of the Company in their meeting held on December 6, 2022, had approved the Scheme of Arrangement between the Company and IIFL Securities Limited and their respective shareholders and creditors, which inter alia provided for the demerger of the Online Retail Trading Business of IIFL Securities Limited into the Company. Thereafter, the Stock Exchanges vide their respective letters dated November 20, 2023 (in case of BSE Limited) and December 01, 2023 (in case of National Stock Exchange of India Limited) had returned the abovementioned application and requested the Company to refile the same with additional documents / clarifications.

The Board of Directors of the Company later noted that subsequent to its approval for the proposed Scheme in December 2022, there had been substantial changes in the business environment and considering the overall impact of change in business environment in detail, the Board was of the opinion that it is prudent and in the interest of the Company and its stakeholders, to withdraw the proposed Scheme. The Board thereafter vide its Circular Resolution dated January 22, 2024, withdrew the said proposed Scheme."

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 : April 24, 2024

For and on behalf of Board of Directors

Narayan Gangadhar

Managing Director & Chief Executive Officer

(DIN :- 09298665)

Gourav Munjal

Whole Time Director & CFO

(DIN : 06360031)

Namita Godbole

Company Secretary

Independent Auditor's Report

To the Board of Directors of **5paisa Capital Limited**

Report on the Audit of 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 2024, 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 material 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, 2024, 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, We have determined the matters described below to be the key audit matters to be communicated in our report.:

Key Audit Matter	Response to Key Audit Matter
<p>Information technology (IT) systems used in financial reporting process.</p> <p>The Parent company's operational and financial processes are dependent on IT systems due to large volume of transactions that are processed daily.</p> <p>We therefore identified IT systems and controls over financial reporting as a key audit matter for the Parent Company.</p>	<p>We obtained an understanding of the Parent Company's IT control environment relevant to the audit.</p> <p>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.</p> <p>We also tested key automated and manual controls and logic for system generated reports relevant to the audit that would materially impact the financial statements.</p> <p>In addition to above, we have also relied on the work of the internal auditors and system auditors.</p>

Information Other than the Financial Statements and Auditor's Report Thereon

The 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. The Director's report and Management Discussion and Analysis report is expected to be made available to us after the date of this auditor's report.

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.

When we read the Director's report and Management Discussion and Analysis report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Companies Act, 2013 (the Act) that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the 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.

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.50.84 millions as at March 31, 2024, total revenues of Rs.1.59 millions, Total profit after tax of Rs. 0.56 millions, Total Comprehensive Income of Rs.0.56 millions and net cash Inflow amounting to Rs. 0.03 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, 2024 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, 2024 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, 2024 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;



- 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;- Refer Note 41(a) of the financial statements.
- (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;- Refer Note 41(b) of the financial statements; 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. Based on our examination, which included test checks, the Company and its subsidiaries incorporated in India, except for the instances mentioned below, have used accounting software for maintaining their respective books of account for the financial year ended March 31, 2024, which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we have not come across any instance of the audit trail feature being tampered with.
- As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.
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: 24166048BKFDHV3764

Place: Mumbai
Date: April 24, 2024

Annexure to the Independent 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 2024

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, 2024 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.

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, 2024 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.

For **V. Sankar Aiyar & Co.,**
Chartered Accountants
(FRN 109208W)

Asha Patel

Partner
(M.No.166048)
UDIN: 24166048BKFDHV3764

Place: Mumbai
Date: April 24, 2024

Consolidated Balance Sheet

As at March 31, 2024

Particulars	Note No.	(₹ in Millions)	
		As at March 31, 2024	As at March 31, 2023
I ASSETS			
(1) Financial Assets			
(a) Cash and cash equivalents	3	709.05	209.30
(b) Bank balance other than (a) above	4	15,664.50	12,802.59
(c) Receivables			
(i) Trade receivables	5	0.29	0.78
(d) Loans	6	1,756.34	1,726.54
(e) Investments	7	19.70	81.49
(f) Other financial assets	8	1,922.39	1,302.68
Sub total		20,072.27	16,123.38
(2) Non-Financial Assets			
(a) Current tax assets		10.93	0.28
(b) Deferred tax assets (net)	9	90.15	70.69
(c) Property, Plant and Equipment	10 (a)	71.25	92.14
(d) Other intangible assets	10 (b)	26.36	41.56
(e) Intangible assets under development	10 (c)	4.10	-
(f) Right of use assets	11	146.90	21.31
(g) Other non-financial assets	12	56.57	66.93
Sub total		406.26	292.91
Total		20,478.53	16,416.29
II LIABILITIES AND EQUITY			
LIABILITIES			
(1) Financial Liabilities			
(a) Payables			
(i) Trade payables			
(i) Total outstanding dues of micro enterprises and small enterprises	13	0.31	0.34
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	13	6.75	11.38
(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	793.20	568.29
(b) Borrowings (Other than debt securities)	14	3,363.17	1,692.83
(c) Other financial liabilities	15	10,758.48	9,401.87
Sub total		14,921.91	11,674.71
(2) Non-Financial Liabilities			
(a) Current tax Liabilities		55.88	12.77
(b) Provisions	16	19.23	15.66
(c) Other non-financial liabilities	17	82.65	80.54
Sub total		157.76	108.97
(3) EQUITY			
(a) Equity share capital	18	311.91	306.36
(b) Other equity	19	5,086.95	4,326.25
Sub total		5,398.86	4,632.61
Total		20,478.53	16,416.29

See accompanying notes forming part of Consolidated Financial Statements 1-43

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

Place : Mumbai

Dated : April 24, 2024

Narayan Gangadhar

Managing Director & Chief Executive Officer

(DIN :- 09298665)

Gourav Munjal

Whole Time Director & CFO

(DIN : 06360031)

Namita Godbole

Company Secretary

Consolidated Statement of Profit and Loss

For the year ended March 31, 2024

(₹ in Millions)

Particulars	Note No.	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue from operations			
(a) Interest income	20	1,352.05	1,018.92
(b) Fees and commission income	21	2,593.66	2,359.73
(I) Total revenue from operations		3,945.71	3,378.65
(a) Other income	22	1.65	15.03
(II) Total income		3,947.36	3,393.68
(III) Expenses			
(a) Finance cost	23	285.68	206.34
(b) Employee benefits expense	24	895.06	590.74
(c) Depreciation, amortization and impairment	25	95.33	87.94
(d) Other expenses	26	1,950.03	1,927.77
(III) Total expenses		3,226.10	2,812.79
(IV) Profit/(Loss) before exceptional items and tax (II-III)		721.26	580.89
(V) Exceptional items		-	-
(VI) Profit/(Loss) before tax		721.26	580.89
(VII) Tax expense:	27		
(1) Current tax		195.28	83.18
(2) Deferred tax		(18.43)	62.04
(VIII) Profit/(Loss) for the year (VI-VII)		544.41	435.67
Other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss		(4.08)	(3.53)
(ii) Income tax relating to items that will not be reclassified to profit or loss		1.03	0.89
(IX) Other Comprehensive Income		(3.05)	(2.64)
(X) Total Comprehensive Income for the year (VIII) + (IX)		541.36	433.03
Earnings per equity share of face value of ₹ 10 each			
Basic in (₹)	28	17.65	14.42
Diluted in (₹)		16.67	14.33
See accompanying notes forming part of Consolidated Financial Statements 1-43			

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 : April 24, 2024

For and on behalf of Board of Directors

Narayan Gangadhar

Managing Director & Chief Executive Officer

(DIN :- 09298665)

Gourav Munjal

Whole Time Director & CFO

(DIN : 06360031)

Namita Godbole

Company Secretary

Consolidated Statement of Changes in Equity

For the year ended March 31, 2024

A. Equity Share Capital

(₹ in Millions)

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of Shares	(₹ in Millions)	No. of Shares	(₹ in Millions)
Equity Shares				
At the beginning of the year	30,635,568	306.36	29,417,318	294.17
Changes in Equity Share Capital due to prior period errors	–	–	–	–
Restated Balance at the beginning of the previous reporting period	30,635,568	306.36	29,417,318	294.17
Changes in equity share capital during the year *	555,405	5.55	1,218,250	12.19
Closing at the end of year	31,190,973	311.91	30,635,568	306.36

* During the year 5,55,405 equity shares has been issued to the employees of the Company under employee stock option scheme. (In Previous year 18,250 equity shares has been issued to the employees of the Company under employee stock option scheme & 12,00,000 shares have been issue on preferential basis).

B. Other Equity

(₹ in Millions)

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, 2022	150.00	7.97	3,532.40	47.71	(355.89)	65.00	(1.60)	3,445.58
Changes in accounting policy or prior year errors April 1, 2022								
Restated balance at the beginning April 1, 2022	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
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
Changes in accounting policy or prior year errors April 1, 2022	–	–	–	–	–	–	–	–
Restated balance at the beginning April 1, 2023	–	7.97	4,123.37	47.71	79.77	71.68	(4.25)	4,326.25
Profit for the year	–	–	–	–	544.41	–	–	544.41
Other comprehensive Income for the year	–	–	–	–	–	–	(3.05)	(3.05)
Premium of equity shares issued (net of share issue expenses)*	–	–	151.77	–	–	–	–	151.77
Additions during the year	–	–	–	–	–	67.57	–	67.57
Balance as at March 31, 2024	–	7.97	4,275.14	47.71	624.18	139.25	(7.30)	5,086.95

* Securities Premium reserve of ₹ 151.77 million (P.Y. ₹ 590.97 million) is created during the year due to issue of shares under equity stock option scheme & preferential issue.

See accompanying notes forming part of Consolidated Financial statements (1 -43)

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 : April 24, 2024

For and on behalf of Board of Directors

Narayan Gangadhar

Managing Director & Chief Executive Officer

(DIN :- 09298665)

Gourav Munjal

Whole Time Director & CFO

(DIN : 06360031)

Namita Godbole

Company Secretary

Consolidated Cash Flow Statement

For the year ended March 31, 2024

(₹ in Millions)

	For the year ended March 31, 2024	For the year ended March 31, 2023
Cash Flows From Operating Activities		
Net Profit before tax	721.26	580.89
Adjustments for:		
Depreciation, amortisation and impairment	95.33	87.94
Employee benefit expenses - share based	67.57	6.67
Employee benefit expenses - others	12.55	10.22
Finance Cost	285.68	206.34
Capital Gain on Investments	(0.13)	(0.22)
(Gain)/Loss on financial assets measured at fair value	(1.36)	10.35
Interest Income	(0.02)	3.88
(Gain)/Loss on sale of PPE & Intangible Assets	(0.27)	0.09
Operating profit before working capital changes	1,180.61	906.16
(Increase)/Decrease in Trade Receivables	0.49	(0.52)
(Increase)/Decrease in Loans	(29.80)	789.99
Increase/(Decrease) in Other Non financial Liabilities	2.11	11.10
(Increase)/Decrease in Other Financial Assets	(619.71)	(221.89)
Increase/(Decrease) in Other Financial Liabilities	1,356.61	467.19
(Increase)/Decrease in Other Non-Financial Assets	10.36	(10.71)
(Increase)/Decrease in Bank Deposits	(2,861.91)	(1,691.29)
Increase/(Decrease) in Provisions	(12.03)	(8.46)
Increase/(Decrease) in Trade Payable	(4.66)	(1.29)
Increase/(Decrease) in Other Payable	224.93	40.57
Cash generated/(used in) from operations	(753.00)	280.85
Taxes paid	(163.85)	(34.91)
Net cash generated/(used in) from operating activities (A)	(916.85)	245.94
Cash Flows From Investing Activities		
Purchase of PPE & Intangible Assets	(194.16)	(135.66)
Sale of PPE & Intangible Assets	5.50	6.58
Purchase of Investments	1,232.23	1,839.32
Sale of Investments	(1,168.95)	(1,790.88)
Net cash flow generated/(used in) investing activities (B)	(125.38)	(80.64)
Cash Flows From Financing Activities		
Increase/(Decrease) in Share Capital/Share Premium & Warrants(Net)	157.32	453.15
Bank overdraft Taken/(Repaid)	1,670.34	(1,096.94)
Inter corporate deposits Taken	5,800.00	7,000.00
Inter corporate deposits Repaid	(5,800.00)	(7,000.00)
Finance Cost	(285.68)	(206.33)
Net cash flow generated/(used in) financing activities (C)	1,541.98	(850.12)
Net increase/(decrease) in Cash and Cash Equivalents (A+B+C)	499.75	(684.82)
Cash and Cash Equivalents at beginning of Year	209.30	894.12
Cash and Cash Equivalents at end of Year	709.05	209.30
Net Increase/(Decrease) in Cash and Cash Equivalents	499.75	(684.82)
See accompanying notes forming part of the Consolidated financial statements (1 -43)		

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 : April 24, 2024

For and on behalf of Board of Directors

Narayan Gangadhar
 Managing Director & Chief Executive Officer
 (DIN :- 09298665)

Gourav Munjal
 Whole Time Director & CFO
 (DIN : 06360031)

Namita Godbole
 Company Secretary

Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2024

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 31st March, 2024.

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, 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 companies 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 Jun 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 31 March 2024 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 30th March 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, 2024 are being authorized for issue in accordance with a resolution of the directors on April 24, 2024.

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

Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2024 (Contd.)

variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the 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.

Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2024 (Contd.)

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 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

Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2024 (Contd.)

economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition 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 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:

Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2024 (Contd.)

- i) The group companies business model for managing the financial asset and
- ii) The contractual cash flow characteristics of the financial asset.

Based on the above criteria, the group 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, 2024 (Contd.)

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 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

Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2024 (Contd.)

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 are a portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date.

ECL are measured in a manner that they reflect unbiased and probability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

As a practical expedient, the group 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.

Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2024 (Contd.)

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, 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

Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2024 (Contd.)

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
- 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

Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2024 (Contd.)

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.

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 required to settle the present obligation at the end of reporting period, taking into account the risk & uncertainties surrounding the obligation.

If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

The 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.

Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2024 (Contd.)

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.

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

Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2024 (Contd.)

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 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

Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2024 (Contd.)

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 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

Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2024 (Contd.)

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 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

Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2024 (Contd.)

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, 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, including the discounted cash flow model, which involve various judgements and assumptions.

Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2024 (Contd.)

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, 2024 (Contd.)

Note 3 : Cash and cash equivalents

(₹ in Millions)

Particulars	As at March 31, 2024	As at March 31, 2023
Cash & cash equivalents:		
– Cash in hand	–	–
– Cheques in hand	–	–
Balances with bank:		
– in current accounts	16.02	10.78
– in client accounts	693.03	198.52
Total cash & cash equivalents	709.05	209.30

Note 4 : Bank balance other than above

(₹ in Millions)

Particulars	As at March 31, 2024	As at March 31, 2023
Fixed Deposits (Non - Lien marked)	3.86	0.88
Fixed Deposits (Lien marked)*	15,660.64	12,801.71
Total	15,664.50	12,802.59

*Holding 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, 2024	As at March 31, 2023
(i) Trade receivables		
– Receivables considered Good - unsecured	0.29	0.78
– Receivables which have significant increase in credit risk	–	–
– Receivables - credit impaired	–	–
Total (i) Gross	0.29	0.78
Less : Impairment loss allowance	–	–
Total (i) Net	0.29	0.78

- 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 31st March 2024 & 31st March 2023.
- No trade receivables and other receivables are interest bearing.

Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2024 (Contd.)

Trade Receivables Ageing Schedule as on 31 March 2024

(₹ 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	0.29	–	–	–	–	0.29
"Receivables which have significant increase in credit risk"	–	–	–	–	–	–
Receivables - credit impaired	–	–	–	–	–	–

Trade Receivables Ageing Schedule as on 31 March 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	0.78	–	–	–	–	0.78
Receivables which have significant increase in credit risk"	–	–	–	–	–	–
Receivables - credit impaired	–	–	–	–	–	–

Note 6 : Loans

(₹ in Millions)

Particulars	As at March 31, 2024	As at March 31, 2023
Loans repayable on demand		
Margin trading facility balances*	1,756.34	1,726.54
Total	1,756.34	1,726.54

* 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, 2024	As at March 31, 2023
A) At fair value through profit or loss		
Exchange Traded Fund		
EQ - ABSLBANETF	–	1.01
EQ - ABSLNN50ET	–	1.52
EQ - BSLNIFTY	–	0.34
EQ - DSPN50ETF	–	2.30
EQ - DSPNEWETF	–	1.23
EQ - DSPQ50ETF	–	4.08
EQ - HEALTHY	–	1.11
EQ - LICNETFN50	–	2.27
EQ - LICNETFSEN	–	2.06
EQ - LICFNHGP	–	2.82

Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2024 (Contd.)

(₹ in Millions)

Particulars	As at March 31, 2024	As at March 31, 2023
EQ - SBIETFCON	–	3.63
EQ - SBIETFIT	–	2.60
EQ - SBIETFPB	–	2.46
EQ - TECH	–	0.49
EQ- SBIETFQLTY	–	1.00
EQ- UTISXN50	–	2.87
EQ-BSLSENETFG	–	0.37
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
EQ-SETFBANK EQ	–	0.77
EQ-SETFBSE100	–	2.46
EQ-SETFNIFTY EQ	–	2.92
EQ-SETFNIFTYNEXT 50 EQ	–	5.62
EQ-SETFSN50	–	1.59
EQ-UTIBANKETF	–	1.61
EQ-UTINEXT50	–	2.48
EQ-UTINIFTYETF	–	1.45
EQ-UTISENSEXETF	–	2.20
B) Investment in Mutual Fund shares		
SBI Savings fund (25,386.654 Units NAV @ 40.4415) (PY - Nil)	1.03	
ICICI Prudential liquid fund(52,243.59 Units NAV @357.4063) (PY - 52,243.59 Units NAV @333.1852)	18.67	17.41
Total (A + B)	19.70	81.49
- Investment outside India	–	–
- Investment in India	19.70	81.49
Total (A + B)	19.70	81.49

Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2024 (Contd.)

Note 8 : Other financial Assets

(₹ in Millions)

Particulars	As at	As at
	March 31, 2024	March 31, 2023
Deposit/Margin with exchanges	91.53	43.56
Clients and Exchanges receivables (net of provision)#	1,376.20	1,002.22
Security deposit with landlords and others*	20.16	13.48
Interest accrued on deposits and investments	434.50	235.59
Receivable from related parties (Refer note 33)	–	7.83
Total	1,922.39	1,302.68

Includes receivable from director and key managerial personnel ₹ 0.00 million. (March 31, 2023 ₹ 0.00 million)

* Include deposit with related party of ₹ 9.80 million (March 31, 2023 - 11.39 million) Refer note 33.

Note 9 :- Deferred tax assets (net)

(₹ in Millions)

Particulars	As at March 31, 2024			
	Opening balance as at April 1, 2023	Recognised in profit or loss (net)	Recognised in/reclassified from OCI	Closing balance as at March 31, 2024
Deferred tax assets:				
Depreciation on property, plant and equipment	(2.38)	4.46	–	2.08
Provisions for expected credit loss	47.79	2.26	–	50.05
Compensated absences and retirement benefits	6.27	4.90	1.03	12.20
Tax on business Loss carry-forward	12.34	–	–	12.34
Amortization Income	8.28	5.27	–	13.54
Total deferred tax assets (a)	72.30	16.89	1.03	90.21
Deferred tax liabilities:				
Unrealised profit on investments	(0.82)	–	–	(0.82)
On Lease Rentals as per tax	(0.79)	1.55	–	(0.79)
Total deferred tax liabilities (b)	(1.61)	1.55	–	(0.06)
Deferred tax assets (a) + (b)	70.69	18.44	1.03	90.15

(₹ 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 as at March 31, 2023
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

Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2024 (Contd.)

(₹ 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 as at March 31, 2023
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

Note 10(a) : Property, Plant and Equipment

Tangible Assets:

(₹ in Millions)

Particulars	Computer	Electrical Equipment	Furniture & Fixture	Office Equipment	Total
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
Additions	28.94	–	1.36	2.11	32.41
Disposals/Adjustments	3.02	0.92	0.72	0.84	5.50
As at March 31, 2024	187.53	1.11	10.58	8.59	207.81

Accumulated Depreciation:

(₹ in Millions)

Particulars	Computer	Electrical Equipment	Furniture & Fixture	Office Equipment	Total
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
Depreciation charge for the year	49.60	0.07	1.81	1.31	52.79
Deductions/Adjustments	2.62	0.81	0.72	0.84	4.99
As at March 31, 2024	126.14	1.11	5.19	4.12	136.56

Net Book Value:

(₹ in Millions)

Particulars	Computer	Electrical Equipment	Furniture & Fixture	Office Equipment	Total
As at March 31, 2023	82.45	0.18	5.84	3.67	92.14
As at March 31, 2024	61.39	–	5.39	4.47	71.25

Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2024 (Contd.)

Note 10(b) : Other intangible assets (other than internally generated):

(₹ in Millions)

Particulars	Software	Total
Cost:		
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
Additions	4.67	4.67
Deductions/Adjustments	–	–
As at March 31, 2024	100.37	100.37
Accumulated Depreciation:		
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
Depreciation charge for the year	19.87	19.87
Deductions/Adjustments	–	–
As at March 31, 2024	74.01	74.01

Net Book Value:

(₹ in Millions)

Particulars	Software	Total
As at March 31, 2023	41.56	41.56
As at March 31, 2024	26.36	26.36

Note 10 (c) : Intangible assets under development

Capital WIP ageing schedule as at 31 March 2024

(₹ in Millions)

Particulars	Amount for a period of			
	Less than 1 year	1-2 years	2-3 years	Total
Projects in progress	4.10	–	–	4.10
Projects temporarily suspended	–	–	–	–
Total	4.10	–	–	4.10

Capital WIP ageing schedule as at 31 March 2023

(₹ in Millions)

Particulars	Amount for a period of			
	Less than 1 year	1-2 years	2-3 years	Total
Projects in progress	–	–	–	–
Projects temporarily suspended	–	–	–	–
Total	–	–	–	–

Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2024 (Contd.)

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, 2024:

(₹ in Millions)

Particulars	Premises	Vehicle	Total
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
Balance as at April 01, 2023	21.31	–	21.31
Additions to right of use assets	148.27	–	148.27
Deletions to right of use assets	–	–	–
Depreciation	22.68	–	22.68
Closing Balance as at March 31, 2024	146.90	–	146.90

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, 2024:

(₹ in Millions)

Particulars	Premises	Vehicle	Total
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
Balance as at April 01, 2023	24.46	–	24.46
Additions	148.27	–	148.27
Deletion	–	–	–
Finance cost accrued during the year	5.02	–	5.02
Payment of lease liabilities	(27.82)	–	(27.82)
Balance as at March 31, 2024	149.93	–	149.93

C) Following is the break up value of the Current and Non - Current Lease Liabilities for the year ended March 31, 2024:

(₹ in Millions)

Particulars	Premises	Vehicle	Total
Current lease liabilities	29.60	–	29.60
Non-current lease liabilities	120.33	–	120.33
Balance as at March 31, 2024	149.93	–	149.93

Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2024 (Contd.)

(₹ in Millions)

Particulars	Premises	Vehicle	Total
Current lease liabilities	17.73	–	17.73
Non-current lease liabilities	6.73	–	6.73
Balance as at March 31, 2023	24.46	–	24.46

D) Table showing details regarding the contractual maturities of lease liabilities as at March 31, 2024 on an undiscounted basis:

(₹ 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
As at March 31, 2024			
Less than one year	29.60	–	29.60
One to two years	26.14	–	26.14
Two to five years	94.19	–	94.19
Total	149.93	–	149.93

E) Amounts recognised in profit or loss:

(₹ in Millions)

Particulars	Total
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
For the year ended March 31, 2024	
Interest on lease liabilities	5.02
Expenses relating to leases of low-value assets, excluding short-term leases of low value assets	–
Total	5.02

F) Amounts recognised in the statement of cash flows

(₹ in Millions)

Particulars	Total
For the year ended March 31, 2023	
Total cash outflow for leases	25.56
For the year ended March 31, 2024	
Total cash outflow for leases	27.82

Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2024 (Contd.)

Note 12 : Other Non-Financial Assets

(₹ in Millions)

Particulars	As at March 31, 2024	As at March 31, 2023
Prepaid expenses	48.83	35.91
Other advances	7.74	31.02
Total	56.57	66.93

Note 13 : Payables

(₹ in Millions)

Particulars	As at March 31, 2024	As at March 31, 2023
(I) Trade Payable		
(i) Total outstanding dues of micro enterprises and small enterprises	0.31	0.34
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	6.75	11.38
Total (a)	7.06	11.72
(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	6.27	0.57
(c) Provision for expenses	786.93	567.72
Total (b)	793.20	568.29
Total (a+b)	800.26	580.01

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, 2024	As at March 31, 2023
(a) Principal amount remaining unpaid to any supplier at the year end	0.31	0.34
(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 Consolidated Financial Statements

For the year ended March 31, 2024 (Contd.)

Trade & Other payable ageing schedule as at 31 March 2024

(₹ 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	–	0.31	–	–	–	0.31
(ii) Others - undisputed	793.20	6.75	–	–	–	799.95
(iii) Disputed dues - MSME	–	–	–	–	–	–
(iv) Disputed dues - Others	–	–	–	–	–	–
Total	793.20	7.06	–	–	–	800.26

Trade & Other payable ageing schedule as at 31 March 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

Note 14 : Borrowings (other than Debt Securities)

(₹ in Millions)

Particulars	As at March 31, 2024	As at March 31, 2023
At amortised cost		
(a) Loans repayable on demand (from banks) : Secured		
– Working capital demand loan	1,500.00	300.00
– Bank Overdraft	1,863.17	1,392.83
(b) Other loans : Unsecured		
– Loan from related parties (Refer note 33)	–	–
Total (c) = (a)+ (b)	3,363.17	1,692.83
Borrowings in India	3,363.17	1,692.83
Borrowings outside India	–	–
Total	3,363.17	1,692.83

(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 secured against Bank deposit Please refer to note 30 for details of asset pledged.
- (ii) Loan from related parties are unsecured.

Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2024 (Contd.)

(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 (0.90% to 1.85%), 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 11.00% to 11.50% p.a. as approved by the board.

Note 15 : Other Financial Liabilities

(₹ in Millions)

Particulars	As at March 31, 2024	As at March 31, 2023
Clients and Exchanges payables #	10,541.78	9,357.04
Payable to related parties (Refer note 33)	10.95	–
Lease liability	149.93	24.46
Provision for gratuity (funded)	13.44	4.99
Other payable	36.15	9.59
Interest Accrued but not due	6.23	5.79
Total	10,758.48	9,401.87

Include payable to directors & key managerial personnel of ₹ 0.24 million (P.Y. ₹ 0.10 million)

Note 16 : Provisions

(₹ in Millions)

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for leave encashment	19.23	15.66
Total	19.23	15.66

Note 17 : Other Non-Financial Liabilities

(₹ in Millions)

Particulars	As at March 31, 2024	As at March 31, 2023
Statutory dues	27.02	45.86
Income received in advance	55.63	34.68
Total	82.65	80.54

Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2024 (Contd.)

Note 18 : Equity Share Capital

a. The Authorised, Issued, Subscribed and Paid up Share Capital:

(₹ in Millions)

Particulars	As at	
	March 31, 2024	March 31, 2023
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		
3,11,90,973 (Previous Year 3,06,35,568) Equity Shares of ₹ 10/- each fully paid-up	311.91	306.36

b. Reconciliation of the shares outstanding at the beginning and at the end of the year:

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of Shares	(₹ in Millions)	No. of Shares	(₹ in Millions)
Equity Shares				
At the beginning of the year	30,635,568	306.36	29,417,318	294.17
Add: Shares issued during the year*	555,405	5.55	1,218,250	12.19
Closing at the end of year	31,190,973	311.91	30,635,568	306.36

* During the year 5,55,405 equity shares has been issued to the employees of the Company under employee stock option scheme. (In Previous year 18,250 equity shares has been issued to the employees of the Company under employee stock option scheme & 12,00,000 shares have been issue on preferential basis).

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 holding company:

(₹ in Millions)

Particulars	As at March 31, 2024		As at March 31, 2023	
	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	24.59	7,670,130	25.04
Nirmal Bhanwarlal Jain	6,205,088	19.89	6,205,088	20.25
HWIC Asia Fund Class A Shares	2,570,186	8.24	2,570,186	8.39
WF Asian Reconnaissance Fund Limited	2,905,906	9.32	2,905,906	9.49
Madhu N Jain	1,845,016	5.92	1,845,016	6.02

Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2024 (Contd.)

e. Details of shares held by promoters at as on 31 March 2024

(₹ in Millions)

Promoter name	Number of shares	% of total shares	% Change during the year
Mr. Nirmal Jain	6,205,088	19.89%	(1.78)%
Mr. Venkataraman Rajamani	1,269,594	4.07%	(1.39)%
Mrs. Madhu N Jain	1,845,016	5.92%	(1.78)%
Aditi Avinash Athavankar (in her capacity as a trustee of Kalki Family Private Trust)	720,000	2.31%	(1.78)%
Ardent Impex Pvt Ltd	108,000	0.35%	(1.78)%
Orpheus Trading Pvt. Ltd.	52,000	0.17%	(1.78)%
Mrs. Aditi Athavankar	16,000	0.05%	(1.78)%
Nirmal Madhu Family Pvt Trust	15,000	0.05%	0.05%

f. Details of shares held by promoters at as on 31 March 2023

(₹ in Millions)

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%

g. 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.

h. 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.

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, 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

Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2024 (Contd.)

(₹ 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		
Total comprehensive income for the year	-	-	-	-	-	-	(3.05)	(3.05)
Transfer from/to reserve	-	-	-	-	-	-	-	-
Additions during the year * (Net of share issue expenses)	-	-	151.77	-	544.41	67.57	-	763.75
Balance as at March 31, 2024	-	7.97	4,275.14	47.71	624.18	139.25	(7.30)	5,086.95

* Securities Premium reserve of ₹ 151.77 million (P.Y. ₹ 590.97 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 : 12,00,000 Share Warrant exercisable (convertible) in one or more tranches, anytime within period of eighteen months into equal number of equity shares of face value of ₹ 10/- each of the 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 to be granted by the Company and outstanding as at balance sheet date.

Note 20 : Interest Income

(₹ in Millions)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest on deposits with banks *	994.15	650.90
Interest on loan (Margin Funding Facilities)	357.90	368.02
Total	1,352.05	1,018.92

*Includes interest received on fixed deposit with bank which are pledged with exchanges for margin purpose requirement.

Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2024 (Contd.)

Note 21 : Fees and Commission Income

(₹ in Millions)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Brokerage & related income	2,387.74	2,139.90
Commission & other advisory fees (including cross sell)	205.92	219.83
Total	2,593.66	2,359.73

Note 22 : Other Income

(₹ in Millions)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest Income		
– others	0.02	3.87
Gain on derecognition of property, plant and equipment	0.27	–
Gain on financial assets measured at fair value through profit & loss account	1.36	–
Other Income	–	11.16
Total	1.65	15.03

Note 23 : Finance cost measured at amortised cost

(₹ in Millions)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest on borrowings	242.23	162.67
Other borrowing cost	43.45	43.67
Total	285.68	206.34

Note 24 : Employee benefit expenses

(₹ in Millions)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Salaries/wages and bonus	742.11	548.23
Contribution to provident and other funds	21.96	20.40
Share based payments*	112.22	6.53
Staff welfare expenses	6.22	5.35
Gratuity (As per actuarial report)	4.42	3.70
Leave encashment (As per actuarial report)	8.13	6.53
Total	895.06	590.74

*After considering reversal of unvested options lapsed during the year.

Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2024 (Contd.)

As per Indian Accounting Standard 19 "Employee benefits", the disclosures as defined are given below:

A) Defined Benefit Plans:

(i) Reconciliation of opening and closing balances of Defined Benefit Obligation

(₹ in Millions)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Defined benefit obligation as at beginning of year	24.10	17.70
Interest cost	1.78	1.20
Current service cost	4.05	3.59
Service Cost	–	–
Liability transferred In/ acquisitions	–	0.34
(Liability transferred out/ divestments)	(0.05)	(0.25)
(Benefit paid directly by the Employer)	–	–
(Benefit paid from the fund)	(3.38)	(1.29)
Actuarial (gains)/losses on obligations - due to change in demographic assumptions	–	–
Actuarial (gains)/losses on obligations - due to change in financial assumptions	0.89	(2.50)
Actuarial (gains)/losses on obligations - due to experience	3.66	5.31
Defined benefit obligation at the end of the year	31.05	24.10

(ii) Reconciliation of opening and closing balances of fair value of Plan Assets

(₹ in Millions)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Change in the fair value of plan assets		
Fair value of plan assets at the beginning of the year	19.10	16.03
Interest income	1.41	1.09
Contributions by the employer	–	4.00
Expected return on plan assets (excluding interest)	–	–
Assets transferred in/acquisitions	–	–
(Benefit paid from the fund)	(3.37)	(1.30)
Return on plan Assets, excluding interest income	0.47	(0.72)
Fair value of plan assets at the end of the year	17.61	19.10

(iii) Amount Recognized in the Balance Sheet

(₹ in Millions)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
(Present Value of Benefit Obligation at the end of the year)	(31.05)	(24.10)
Fair value of Plan Assets at the end of the year	17.61	19.11
Funded Status - Surplus / (Deficit)	(13.44)	(4.99)
Net (liability)/Asset recognized in the balance sheet (surplus/ (deficit))	(13.44)	(4.99)

Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2024 (Contd.)

(iv) Expenses recognised during the year

(₹ in Millions)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
In Income statement		
Current service cost	4.05	3.59
Net interest cost	0.37	0.10
Past service cost	–	–
Expense recognised in the Statement of Profit and Loss under "Employee benefits expenses"	4.42	3.70
In other comprehensive income		
Actuarial (gains)/Losses on obligation for the period	4.55	2.81
Return on plan assets, excluding interest income	(0.47)	0.72
Change in asset ceiling	–	–
Net (income)/expense for the year recognized in OCI	4.08	3.53

(v) Balance sheet reconciliation

(₹ in Millions)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening net liability	4.99	1.67
Expenses Recognized in Statement of Profit or Loss	4.42	3.70
Expenses Recognized in OCI	4.08	3.53
Net Liability/(Asset) Transfer In	–	0.34
Net (Liability)/Asset Transfer Out	(0.05)	(0.25)
(Benefit Paid Directly by the Employer)	–	–
(Employer's Contribution)	–	(4.00)
Net liability/(asset) recognized in the balance sheet	13.44	4.99

(vi) Investment Details

(₹ in Millions)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Category of assets		
Insurance fund	17.61	19.11
Total	17.61	19.11

Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2024 (Contd.)

(vii) Actuarial assumptions

(₹ in Millions)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Expected return on plan assets	7.21%	7.39%
Rate of discounting	7.21%	7.39%
Rate of salary increase	10.00%	10.00%
Rate of employee turnover	For service 4 years and below 42.00% p.a. For service 5 years and above 1.00% 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.

- (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 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, 2024	For the year ended March 31, 2023
Projected Benefit Obligation on Current Assumptions	31.05	24.10
Delta Effect of +1% Change in Rate of Discounting	(4.77)	(4.11)
Delta Effect of -1% Change in Rate of Discounting	5.14	4.23
Change in Salary Escalation Rate		
Delta Effect of +1% Change in Rate of Salary Increase	3.93	3.25
Delta Effect of -1% Change in Rate of Salary Increase	(3.45)	(3.06)
Change in Employee Turnover Rate		
Delta Effect of +1% Change in Rate of Employee Turnover	(0.80)	(0.48)
Delta Effect of -1% Change in Rate of Employee Turnover	0.94	0.57

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.

Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2024 (Contd.)

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.

(ix) Maturity Analysis of the Benefit Payments: From the Fund

(₹ in Millions)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Projected benefits payable in future years from the date of reporting :		
1st Following Year	4.64	0.95
2nd Following Year	0.25	0.26
3rd Following Year	0.29	0.28
4th Following Year	0.32	0.32
5th Following Year	0.36	0.35
Sum of Years 6 To 10	3.55	2.25
Sum of Years 11 and above	116.54	102.48

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, 2024	For the year ended March 31, 2023
Contribution to provident fund	15.50	12.17
Contribution to ESIC	0.34	0.93
Contribution to labour welfare fund	0.03	0.03
Contribution to EPS	5.23	6.17
Contribution to NPS	0.85	1.10
Total	21.96	20.40

Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2024 (Contd.)

Note 25 : Depreciation, amortization and impairment

(₹ in Millions)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Depreciation on property, plant and equipment and Right of use *	75.46	66.78
Amortization of intangible assets	19.87	21.16
Total	95.33	87.94

* Depreciation includes depreciation on right of use assets (Refer note 11)

Note 26 : Other Expenses

(₹ in Millions)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Advertisement & Marketing Expenses (Including branding)	533.88	558.48
Books & Periodicals Charges	0.40	1.06
Exchange and Statutory Charges *	126.26	173.10
Bank Charges	3.24	1.63
Communication Expense	37.96	32.38
Electricity Charges	16.87	13.48
Professional Charges	397.42	317.93
Office Expenses	95.08	97.47
Meeting, Seminar expenses	4.78	1.26
Directors Remuneration/Sitting Fees	4.09	1.67
Postage And Courier	0.33	0.93
Printing And Stationery	0.91	1.65
Bad-Debts Written off	2.09	51.79
Expected Credit Loss	9.00	34.77
Insurance	0.33	0.41
Rates & Taxes	7.59	1.53
Repairs & Maintenance		
– Computer	0.01	0.21
– Others	1.33	1.45
Remuneration To Auditors :		
– As Auditors - Statutory Audit	1.78	1.37
– Certification Work And Other Matters	–	0.18
– Out Of Pocket Expenses	–	0.01
Software Charges	675.85	605.14
Travelling and Conveyance	21.40	16.07
Loss On Financial Assets Measured At Fair Value Through Profit & Loss Account	–	11.08
Corporate Social Responsibility Expense (Refer note 37)	6.72	2.16
Miscellaneous Expenses	2.71	0.56
Total	1,950.03	1,927.77

* '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 FY23, 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".

Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2024 (Contd.)

Note 27 : Income Tax

Amount Recognised in profit or (loss)

(₹ in Millions)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Current tax expenses		
Current Year	195.28	83.18
Changes in estimates related to prior years	–	–
Deferred tax expenses		
Origination and reversal of temporary differences	(18.43)	62.04
Total	176.85	145.22

Reconciliation of effective tax rates :

(₹ in Millions)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Profit before tax	721.26	580.89
Tax using domestic tax rates	25.17%	25.17%
Tax amount	181.53	146.20
Tax effect of :		
Non-deductible expenses	0.58	0.58
Tax-exempt income	(1.12)	(1.12)
Recognition of previously unrecognised deductible temporary differences	(4.14)	(0.45)
Total Income Tax Expense	176.85	145.22

Note 28 : Earning Per Share (EPS)

(₹ in Millions)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Face value of equity shares in ₹ fully paid up	10	10
BASIC		
Profit after tax as per statement of profit and loss (A)	544.41	435.67
Weighted average number of equity shares outstanding (B)	30,851,127	30,214,614
Basic Earning per Share (₹) A/B	17.65	14.42
DILUTED		
Weighted average number of equity shares for computation of basic EPS	30,851,127	30,214,614
Add: Potential equity shares on account conversion of Employees Stock Options	1,811,026	178,274
Weighted average number of equity shares for computation of diluted EPS (C)	32,662,153	30,392,888
Diluted Earning per Share (₹) A/C	16.67	14.33

Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2024 (Contd.)

Note 29 :- Capital, Other Commitments and Contingent Liabilities at Balance Sheet date:

Capital and other commitment

Particulars	(₹ in Millions)	
	March 31, 2024	March 31, 2023
(i) Capital Commitment	43.38	10.87
(ii) Other Commitment	–	–

Contingent Liabilities

Particulars	(₹ in Millions)	
	March 31, 2024	March 31, 2023
(i) Bank Guarantees	4,600.00	4,970.00
(ii) In respect of Legal Case/Penalties	3.66	2.27
Total	4,603.66	4,972.27

Consequent to on-site inspection for the period from April 2022 to December 2023, on March 7, 2024, MCX issued a show cause notice towards their observation of non-reporting of certain incidents as technical glitches to the Exchange. The company vide letter dated March 14, 2024 responded to the said show cause notice. However, MCX vide their letter dated March 14, 2024, restrained the company from admitting new clients with immediate effect for 15 days or till the submission of RCA, whichever is higher.

Aggrieved by the said order, the company filed a writ petition with the Hon'ble High Court Mumbai. The High Court vide its order dated March 15, 2024 disposed off the writ petition filed by the company, on the condition that MCX to give the company an opportunity of being heard and pass appropriate order in accordance with law. MCX also made a statement in the High Court that the impugned letter dated March 14, 2024 would not be given effect to by them.

Thereafter, MCX issued a supplementary show cause notice dated March 15, 2024, which was appropriately responded to by the company. The company is confident that the action proposed including the penalty amount would get reviewed suitably by the Committee. However, the assessment of this litigation & outcome estimation is not possible to quantify in amount as on the signing date of balance sheet.

Note 30 :- Assets pledged as security

The carrying amounts of assets pledged as security for borrowings are:

Particulars	(₹ in Millions)	
	As at March 31, 2024	As at March 31, 2023
Financial assets		
First charge		
Fixed Deposits - lien marked	15,660.64	12,801.71
Other financial assets	2,670.18	2,378.85
Total assets pledged as security	18,330.82	15,180.55

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.

Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2024 (Contd.)

Credit quality analysis

The following tables sets out information about the credit quality of financial assets measured at amortised cost, FVOCI debt investments. Unless specifically indicated, for financial assets, the amounts in the table represent gross carrying amounts.

(₹ in Millions)

Particulars	As at March 31, 2024			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	0.29	–	–	0.29
Less : Impairment loss allowance	–	–	–	–
Carrying amount	0.29	–	–	0.29
Other Financial Assets	1,896.96	36.32	187.99	2,121.27
Less : Impairment loss allowance	–	(10.89)	(187.99)	(198.88)
Carrying amount	1,897.25	25.43	–	1,922.68

(₹ in Millions)

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

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 31,2022	5.24	150.00	155.24
Increase/(Decrease) net	13.94	20.70	34.64
March 31,2023	19.18	170.70	189.88
Increase/(Decrease) net	(8.29)	17.29	9.00
March 31,2024	10.89	187.99	198.88

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.

Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2024 (Contd.)

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, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Trade payables & other payable	800.26	580.01	–	–
Working capital demand Loan	1,500.00	300.00	–	–
Loan from related parties	–	–	–	–
Bank overdraft	1,863.17	1,392.83	–	–
Other financial liabilities	10,638.15	9,395.14	120.33	6.73
Total	14,801.58	11,667.98	120.33	6.73

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 affects 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.

(₹ in Millions)

Particulars	As at March 31, 2024	As at March 31, 2023
Bank overdraft	1,863.17	1,392.83
Working capital demand loan	1,500.00	300.00
Applicable rate & 12 months weighted average rate	9.27%	7.83%
Annualised interest cost	242.23	162.67

Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2024 (Contd.)

Sensitivity analysis for impact on interest cost

(₹ in Millions)

Particulars	As at March 31, 2024	As at March 31, 2023
Increase in 1% change in ROI	25.85	17.58
Decrease in 1% change in ROI	(25.85)	(17.58)

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 from 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 from 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.

(₹ in Millions)

Particulars	Exchange Traded Fund	Mutual Fund	Total
Market Value as on March 31, 2024	–	19.70	19.70
Market Value as on March 31, 2023	64.08	17.41	81.49

The effect of upward movement of 5% in the price affects the projected net income by ₹ 0.99 million and for downward movement of 5% the projected net loss will ₹ 0.99 million for FY 2024-25

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

(₹ in Millions)

Particulars	March 31, 2024	March 31, 2023
Total debt	3,363.17	1,692.83
Cash & cash equivalent (excluding client bank balance)	(16.02)	(10.78)
Net debt	3,347.15	1,682.05
Total equity	5,398.86	4,632.61
Net debt to equity	0.62	0.36

Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2024 (Contd.)

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 judgment 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 judgment 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.

31 E.1. : Fair Value of Financial Instruments - Financial Instrument by Category

(₹ in Millions)

Particulars	As at March 31, 2024			As at March 31, 2023		
	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	–	709.05	709.05	–	209.30	209.30
(b) Bank balance other than (a) above	–	15,664.50	15,664.50	–	12,802.59	12,802.59
(c) Receivables	–	–	–	–	–	–
(I) Trade receivables	–	0.29	0.29	–	0.78	0.78
(II) Other receivables	–	–	–	–	–	–
(d) Loans	–	1,756.34	1,756.34	–	1,726.54	1,726.54
(e) Investments	–	–	–	–	–	–
(i) Investment in Mutual Fund	19.70	–	19.70	17.41	–	17.41
(ii) Exchange Traded Fund	–	–	–	64.08	–	64.08
(f) Other financial assets	–	1,922.39	1,922.39	–	1,302.68	1,302.68
Total	19.70	20,052.57	20,072.27	81.49	16,041.89	16,123.38

Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2024 (Contd.)

(₹ in Millions)

Particulars	As at March 31, 2024			As at March 31, 2023		
	Fair Value through Profit or loss	Amortised Cost	Carrying Value	Fair Value through Profit or loss	Amortised Cost	Carrying Value
Financial Liabilities						
(a) Trade payables	–	7.06	7.06	–	11.72	11.72
(b) Other payables	–	793.20	793.20	–	568.29	568.29
(c) Borrowings (Other than debt securities)	–	3,363.17	3,363.17	–	1,692.83	1,692.83
(d) Other financial liabilities	–	10,758.48	10,758.48	–	9,401.87	9,401.87
Total	–	14,921.91	14,921.91	–	11,674.71	11,674.71

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, 2024			
	Level 1	Level 2	Level 3	Total
Exchange Traded Fund	–	–	–	–
Mutual Fund	19.70	–	–	19.70
Total Assets	19.70	–	–	19.70

(₹ 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

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 holding company's Financial Statement. These fair value is calculated for disclosures purpose only.

Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2024 (Contd.)

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.

Particulars	As at March 31, 2024		
	Carrying Value	Fair Value	Fair Value Hierarchy
Assets			
Cash and cash equivalents	709.05	709.05	–
Bank balance	15,664.50	15,664.50	–
Trade and other receivable	0.29	0.29	–
Loans	1,756.34	1,756.34	–
Security deposit	20.16	20.16	Level 3
Other financial asset	1,902.23	1,902.23	–
Total Assets	20,052.57	20,052.57	–
Liabilities			
Borrowings	3,363.17	3,363.17	–
Trade and other payables	800.26	800.26	–
Other financial liabilities	10,758.48	10,758.48	–
Total Liabilities	14,921.91	14,921.91	–

(₹ in Millions)

Particulars	As at March 31, 2023		
	Carrying Value	Fair Value	Fair Value Hierarchy
Assets			
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	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	–

Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2024 (Contd.)

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
Purchase	1.55	1,232.23	1,233.78
Sale/Redemption of financial instrument	(0.62)	(1,296.45)	(1,297.06)
Total gain/(losses) recognised in profit and loss	1.36	0.13	1.49
Balances as at March 31, 2024	19.70	-	19.70

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, 2024 (Contd.)

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. Narayan Gangadhar - CEO (w.e.f. May 25, 2023) & Managing Director (w.e.f. July 13, 2023)
	Mr Prakarsh Gagdani- Whole Time Director (up to Dec 31, 2023)
	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 June 15, 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)
	IIFL Securities Services IFSC Limited
	IIFL Sales Limited**
	IIFL Securities Alternate Asset Management Limited
	IIFL Facilities Services Limited
	IIFL Capital Inc
	IIFL Open Fintech Private Limited
	IIFL Home Finance Limited
	IIFL Samasta Finance Limited
	360 One Capital PTE. LTD. (Formerly known as IIFL Capital Pte. Limited)
	360 One Wam Limited (Formerly known as IIFL Wealth Management Limited)
	360 One Asset Management Limited (Formerly Known as IIFL Asset Management Limited)
	360 One Alternates Asset Management Limited
	360 One Prime Limited (Formerly Known as IIFL Wealth Prime 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)	

Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2024 (Contd.)

Relationship	Name of the related party
	360 One IFSC Limited (Formerly known as IIFL Wealth Securities IFSC Limited)
	360 One Foundation (Formerly known as IIFLW CSR Foundation)
	IIFL Wealth (UK) Limited
	360 One Portfolio Managers Limited (Formerly known as IIFL Wealth Portfolio Managers Limited)
	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
	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
	Mr. Sharad Gagdani (father of Prakarsh Gagdani)
	Prakarsh Sharad Gagdani - HUF
	Mrs Kalpana Gagdani (mother of Prakarsh Gagdani)
	Mrs Punam Gagdani (wife of Prakarsh Gagdani)

* Name of 5paisa Insurance Brokers Limited changed to 5paisa Corporate Services Limited with effect from November 16,2022

** IIFL Sales Limited is Step-down Subsidiary of IIFL Finance Limited

(B) Significant transactions with related parties during the year

(₹ in Millions)

Nature of transaction	2023-24	2022-23
Referral Income/Service Income/Brokerage Income/Depository Participate Income. etc. :-		
a) Directors , Key Managerial Persons & their relatives		
Mr Narayan Gangadhar (w.e.f May 25,2023)	0.00	–
Mr Prakarsh Gagdani (upto Dec 31,2023)	0.01	0.03
Mr Gourav Munjal	0.01	0.00
Mrs Namita Godbole	0.00	0.00
Prakarsh Sharad Gagdani - HUF	0.00	0.00
Mrs Kalpana Gagdani	0.01	0.03
Mrs Punam Gagdani	0.00	0.00
Mr Sharad Muralidhar Gagdani	0.00	0.00
Advisory Fees		
a) Other Related Parties		
IIFL Finance Limited	8.24	–
Security Deposit :-		
a) Other Related Parties		
IIFL Facilities Services Limited	9.75	7.81

Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2024 (Contd.)

(₹ in Millions)

Nature of transaction	2023-24	2022-23
IIFL Securities Limited	–	3.53
IIFL Management Services Limited	0.05	0.05
Security Deposit Repaid:-		
a) Other Related Parties		
IIFL Securities Limited	3.53	–
Remuneration :-		
Mr Narayan Gangadhar (w.e.f. May 25, 2023)	25.17	–
Mr. Prakarsh Gagdani (up to Dec 31, 2023)	19.65	17.57
Mr. Gourav Munjal	7.05	5.12
Mrs. Namita Godbole	6.55	5.11
Sitting Fees:-		
Dr.Archana Hingorani	0.95	0.38
Mrs Nirali Sanghi	0.93	0.41
Mr Milin Mehta	0.97	0.41
Mr Ravindra Garikipati	0.90	0.24
Rent Expense :-		
a) Other Related Parties		
IIFL Facilities Services Limited	20.76	17.97
IIFL Securities Limited	0.88	6.18
IIFL Management Services Limited	0.18	0.05
Interest Expenses Inter Corporate Deposit:-		
a) Other Related Parties		
IIFL Finance Limited	9.44	34.72
IIFL Home Finance Limited	67.46	–
Inter Corporate Deposit Taken :-		
a) Other Related Parties		
IIFL Finance Limited	1,500.00	7,000.00
IIFL Home Finance Limited	4,300.00	
Inter Corporate Deposit Repaid :-		
a) Other Related Parties		
IIFL Finance Limited	1,500.00	7,000.00
IIFL Home Finance Limited	4,300.00	
Allocation / Reimbursement of expenses Paid :-		
a) Other Related Parties		
IIFL Finance Limited	20.50	15.53
IIFL Facilities Services Limited	17.25	14.57
IIFL Home Finance Limited	0.00	0.02
IIFL Securities Limited	41.73	54.53
Allocation / Reimbursement of expenses Received :-		
a) Other Related Parties		
IIFL Securities Limited	27.38	13.97
IIFL Finance Limited	3.70	0.42
IIFL Home Finance Limited	0.05	0.18
Others Paid :-		
a) Other Related Parties		
IIFL Securities Limited	0.22	2.13

Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2024 (Contd.)

(₹ in Millions)

Nature of transaction	2023-24	2022-23
IIFL Finance Limited	0.09	2.03
IIFL Home Finance Limited	0.10	0.22
Livlong Insurance Brokers Limited	0.00	0.07
Livlong Protection & Wellness Services Limited	0.00	0.02
Others Received :-		
a) Other Related Parties		
Livlong Insurance Brokers Limited	0.02	0.00
IIFL Securities Limited	0.24	3.71
IIFL Management Services Limited	–	0.09
IIFL Home Finance Limited	0.11	0.48
IIFL Finance Limited	0.12	2.19
IIFL Facilities Services Limited	0.00	0.02
Livlong Protection & Wellness Services Limited	0.02	0.59

(C) Closing Balance

(₹ in Millions)

Nature of transaction	2023-24	2022-23
Sundry Payable :-		
a) Other Related Parties		
IIFL Facilities Services Limited	2.42	–
IIFL Management Services Limited	–	0.03
IIFL Securities Limited	5.26	–
IIFL Finance Limited	3.26	–
b) Directors & Relatives		
Mr Gourav Munjal	0.24	–
Security Deposit		
a) Other Related Parties		
IIFL Securities Limited	–	3.53
IIFL Facilities Services Limited	9.75	7.81
IIFL Management Services Limited	0.05	0.05
Sundry Receivable		
a) Other Related Parties		
IIFL Finance Limited	–	0.19
IIFL Home Finance Limited	0.00	–
IIFL Securities Limited	–	6.98
Livlong Insurance Brokers Limited	0.00	–
Livlong Protection & Wellness Services Limited	–	0.69
b) Director & Relatives		
Mr Narayan Gangadhar	0.00	–
Mr Gourav Munjal	–	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, 2024 (Contd.)

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.

a1) 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, 2024

(₹ in Millions)

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, 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	–	–
Granted during the year	525,250	286.65 to 362.05	–	–
Forfeited during the year	–	–	–	–
Expired/Lapsed during the year	278,500	–	–	–
Exercised during the year #	555,405	157.30 to 371.30	202.88	–
Outstanding as on March 31, 2024	588,695	157.30 to 530	–	5.48
Exercisable as on March 31, 2024	588,695	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 5,55,405 options has been exercised by the employee (P.Y. 18,250 options)

a2) The details of various Employee Stock Option Schemes are as under:

Particulars	ESOP 2023
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	Three Years from the vesting date

Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2024 (Contd.)

b) Movement of options during the year ended March 31, 2024

(₹ in Millions)

Particulars	Option Outstanding (in numbers)	Range of exercise Price (in ₹)*	Weight average exercise price (in ₹)#	Weight average remaining contractual life (in Years)"
Granted during the year	1,640,000	10	–	–
Forfeited during the year	–	–	–	–
Expired/Lapsed during the year	–	–	–	–
Exercised during the year	–	–	–	–
Outstanding as on March 31, 2024	1,640,000	10	–	4.83
Exercisable as on March 31, 2024	1,640,000	10	–	–

*Exercise price has been calculated after giving effect of additional options granted to employee consequent to rights issue as approved by the board.

(C) The holding Company has granted 5,25,250 ESOP and 16,40,000 RSU (P.Y. 2,31,600, Nil respectively) 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."

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.

Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2024 (Contd.)

Note 35:- The table below shows an analysis of assets and liabilities analyzed according to when they are expected to be recovered or settled.

(₹ in Millions)

Particulars	As at March 31, 2024			As at March 31, 2023		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS						
(1) Financial Assets						
(a) Cash and cash equivalents	709.05	–	709.05	209.30	–	209.30
(b) Bank Balance other than (a) above	15,661.25	3.25	15,664.50	12,242.79	559.80	12,802.59
(c) Receivables	–	–	–	–	–	–
(I) Trade receivables	0.29	–	0.29	0.78	–	0.78
(II) Other receivables	–	–	–	–	–	–
(d) Loans	1,756.34	–	1,756.34	1,726.54	–	1,726.54
(e) Investments	19.70	–	19.70	2.99	78.50	81.49
(f) Other financial assets	1,810.70	111.69	1,922.39	1,245.64	57.04	1,302.68
Sub-total	19,957.33	114.94	20,072.27	15,428.04	695.34	16,123.38
(2) Non-Financial Assets						
(a) Current tax assets (net)	10.93	–	10.93	0.28	–	0.28
(b) Deferred tax assets (net)	–	90.15	90.15	–	70.69	70.69
(c) Property, Plant and Equipment	–	71.25	71.25	–	92.14	92.14
(d) Right to use assets	–	146.90	146.90	–	21.31	21.31
(e) Capital work-in-progress	4.10	–	4.10	–	–	–
(f) Other intangible assets	–	26.36	26.36	–	41.56	41.56
(g) Other non-financial assets	56.57	–	56.57	66.93	–	66.93
Sub-total	71.60	334.66	406.26	67.21	225.70	292.91
Total Assets	20,028.93	449.60	20,478.53	15,495.25	921.04	16,416.29
LIABILITIES						
(1) Financial Liabilities						
(a) Payables						
(I) Trade payables						
(i) Total outstanding dues of micro enterprises and small enterprises	0.31	–	0.31	0.34	–	0.34
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	6.75	–	6.75	11.38	–	11.38
(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	793.20	–	793.20	568.29	–	568.29
(b) Borrowings (Other than debt securities)	3,363.17	–	3,363.17	1,692.83	–	1,692.83
(c) Other financial liabilities	10,638.15	120.33	10,758.48	9,395.14	6.73	9,401.87
Sub-total	14,801.58	120.33	14,921.91	11,667.98	6.73	11,674.71

Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2024 (Contd.)

(₹ in Millions)

Particulars	As at March 31, 2024			As at March 31, 2023		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
(2) Non-Financial Liabilities						
(a) Current tax Liabilities (net)	55.88	–	55.88	12.77	–	12.77
(b) Provisions	19.23	–	19.23	15.66	–	15.66
(c) Other non-financial liabilities	82.65	–	82.65	80.54	–	80.54
Sub-total	157.76	–	157.76	108.97	–	108.97
Total Liabilities	14,959.34	120.33	15,079.67	11,776.95	6.73	11,783.68
Net	5,069.59	329.27	5,398.86	3,718.30	914.31	4,632.61

Note 36: Summary of consolidation

a) Enterprises consolidated as subsidiary in accordance with Indian Accounting Standard 110 - Consolidated Financial Statements.

(₹ in Millions)

Sr. No.	Name of subsidiaries	Country of Incorporation	Proportion of ownership interest	
			March 31, 2024	March 31, 2023
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%	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 18-19.
- 5paisa Trading Limited has become a subsidiary of 5paisa Capital Limited in the year 19-20.
- 5Paisa International Securities (IFSC) Limited has become a subsidiary of 5paisa Capital Limited in the year 22-23.

Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2024 (Contd.)

b) Additional information, as required under schedule III to the Companies Act, 2013, of enterprises consolidated as subsidiaries.

(₹ in Millions)

Name of subsidiaries	As at March 31, 2024							
	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	100.17%	5,408.07	95.24%	518.52	100.00%	(3.05)	95.21%	515.47
Subsidiaries								
Indian								
1 5paisa P2P Limited	0.69%	37.43	0.10%	0.56	0.00%	–	0.10%	0.56
2 5Paisa Corporate Services Limited (Formerly Known as 5Paisa Insurance Brokers Limited)	0.01%	0.32	0.00%	(0.02)	0.00%	–	0.00%	(0.02)
3 5paisa Trading Limited	0.02%	0.89	(0.07)%	(0.37)	0.00%	–	(0.07)%	(0.37)
4 5Paisa International Securities (IFSC) Limited	0.08%	4.41	(0.10)%	(0.52)	0.00%	–	(0.10)%	(0.52)
Elimination	(0.97)%	(52.26)	4.82%	26.24	0.00%	–	4.85%	26.24
Total	100.00%	5,398.86	100.00%	544.41	100.00%	(3.05)	100.00%	541.36

@ Amount is less than ₹ 0.01 million hence shown as ₹ 0.00 million

NOTE 37 : CORPORATE SOCIAL RESPONSIBILITY

During the period ended March 31, 2024 the Company has spent ₹ 6.72 million (P.Y. ₹ 2.16 million) out of the total amount of ₹ 6.72 million (P.Y. ₹ 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.

No subsidiary is required to spend on CSR activities as per Section 135 of companies Act, 2013

(₹ in Millions)

Particulars	As at March 31, 2024	As at March 31, 2023
Amount required to be spent by the holding company during the year	6.72	2.16
Amount of expenditure incurred	6.72	2.16
Shortfall at the end of the year	–	–
Total of previous years shortfall	N.A.	N.A.
Reason for shortfall	N.A.	N.A.
Nature of CSR activities	1. Promoting education	1. Promoting education 2. Training to promote National recognized sports 3. Promoting health care"
Details of related party transactions	Contributed to India Infoline Foundation	Contributed to India Infoline Foundation, Child help foundation

Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2024 (Contd.)

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'. Hitherto, 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 30th March 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.

Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2024 (Contd.)

- 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 - Acquisition of "Online Retail Trading Business" of IIFL Securities Ltd.

"The Board of Directors of the Holding company in their meeting held on December 6, 2022, had approved the Scheme of Arrangement between the Company and IIFL Securities Limited and their respective shareholders and creditors, which inter alia provided for the demerger of the Online Retail Trading Business of IIFL Securities Limited into the Company. Thereafter, the Stock Exchanges vide their respective letters dated November 20, 2023 (in case of BSE Limited) and December 01, 2023 (in case of National Stock Exchange of India Limited) had returned the above mentioned application and requested the Holding company to refile the same with additional documents / clarifications.

The Board of Directors of the Holding company later noted that subsequent to its approval for the proposed Scheme in December 2022, there had been substantial changes in the business environment and considering the overall impact of change in business environment in detail, the Board was of the opinion that it is prudent and in the interest of the Holding company and its stakeholders, to withdraw the proposed Scheme. The Board thereafter vide its Circular Resolution dated January 22, 2024, withdrew the said proposed Scheme."

Note 43 :- 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 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

Narayan Gangadhar

Managing Director & Chief Executive Officer

(DIN :- 09298665)

Gourav Munjal

Whole Time Director & CFO

(DIN : 06360031)

Place : Mumbai

Dated : April 24, 2024

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 ("MD") and Chief Executive Officer ("CEO")*

*Appointed as CEO w.e.f. May 25, 2023 and MD w.e.f. July 13, 2023 and further resigned as a Managing Director & Chief Executive Officer (CEO) vide resignation letter dated May 30, 2024 w.e.f. the close of business hours of August 28, 2024.

Mr. Gourav Munjal

Whole Time Director & Chief Financial Officer ("CFO")

Mr. Ameya Agnihotri

Additional Director in the capacity of Whole Time Director and Chief Technology Officer*

*Appointed as an Additional Director in the capacity of Whole Time Director w.e.f. July 13, 2024.

COMMITTEES OF THE BOARD OF DIRECTORS AS ON MARCH 31, 2024

AUDIT COMMITTEE

Mr. Milin Mehta

Chairman, Independent Director

Dr. Archana Hingorani

Member, Independent Director

Ms. Nirali Sanghi

Member, Independent Director

Mr. Ravindra Garikipati

Member, Independent Director

NOMINATION AND REMUNERATION COMMITTEE

Ms. Nirali Sanghi

Chairperson, Independent Director

Dr. Archana Hingorani

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. Narayan Gangadhar

Member, Managing Director & CEO

RISK MANAGEMENT COMMITTEE

Dr. Archana Hingorani

Chairperson, Independent Director

Mr. Milin Mehta

Member, Independent Director

Mr. Narayan Gangadhar

Member, Managing Director & CEO

Mr. Gourav Munjal

Member, Whole-time Director & CFO

Mr. Arbind Sinha

Member, Head of Operations and Risk

Mr. Ameya Agnihotri

Member, Chief Technology Officer

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Dr. Archana Hingorani

Chairperson, Independent Director

Ms. Nirali Sanghi

Member, Independent Director

Mr. Narayan Gangadhar

Member, Managing Director & CEO

Mr. Gourav Munjal

Member, Whole-time Director & CFO

FINANCE COMMITTEE

Mr. Narayan Gangadhar

Chairman, Managing Director & CEO

Mr. Gourav Munjal

Member, Whole-time Director & CFO

INDEPENDENT DIRECTORS COMMITTEE

Mr. Ravindra Garikipati

Chairman, 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. Narayan Gangadhar

Member, Managing Director & CEO

Mr. Gourav Munjal

Member, Whole-time Director & CFO

Mrs. Namita Godbole

Member, Company Secretary & Chief Compliance Officer

INFORMATION TECHNOLOGY (IT) COMMITTEE

Mr. Ravindra Garikipati

Chairman, Independent Director

Mr. Milin Mehta

Member, Independent Director

Mr. Narayan Gangadhar

Member, Managing Director & CEO

Mr. Ameya Agnihotri

Member, Chief Technology Officer

CYBER SECURITY COMMITTEE

Mr. Ravindra Garikipati

Chairman, Independent Director

Mr. Milin Mehta

Member, Independent Director

Mr. Narayan Gangadhar

Member, Managing Director & CEO

Mr. Ameya Agnihotri

Member, Chief Technology Officer

COMPANY SECRETARY & CHIEF COMPLIANCE OFFICER

Mrs. Namita Amod Godbole

CHIEF FINANCIAL OFFICER

Mr. Gourav Munjal

CHIEF INFORMATION SECURITY OFFICER (CISO)

Mr. Yogesh Maroli

CORE MANAGEMENT

Mr. Yashpal Chopra[#]

Head – Operations & Chief Risk Officer (CRO)[#]

[#]Appointed w.e.f. July 13, 2024

Ms. Rajeshree Jadhav

Head – Digital Sales

Mr. Sudhir Jha

Head – Business Revenue

Mr. Dushyant Patel

Vice President – Technology

Mr. Vikrant Birajdar[§]

Head – Human Resources

[§]Resigned w.e.f. July 31, 2024

Mr. Mehul Jain

Head – Product

Mr. Manish Karia

Head – Performance Marketing and SEO Management

SUBSIDIARIES

5paisa International Securities (IFSC) Limited

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

5paisa P2P Limited

5paisa Trading Limited

AUDITORS

M/s. V. Sankar Aiyar & Co.
Chartered Accountants

INTERNAL AUDITORS

M/s. Mahajan & Aibara
Chartered Accountants (Up to 31/03/2024)

M/s. A N S A & Associates LLP
Chartered Accountants
(w.e.f. 01/04/2024)

SECRETARIAL AUDITORS

M/s. Nilesh Shah & Associates
Practicing Company Secretaries

REGISTRAR AND SHARE TRANSFER AGENT

Link Intime (India) Private Limited

C-101, 247, Lal Bahadur Shastri Marg, Gandhi Nagar, Vikhroli West, Mumbai - 400083.

Telephone no.: (0) 8108114949

Toll-free number: 1800 21 09911

Fax : 022 - 4918 6060

Investor Grievance

Email: rnt.helpdesk@linkintime.co.in

Website: www.linkintime.co.in

REGISTERED & CORPORATE OFFICE

5paisa Capital Limited

IIFL House, Sun Infotech Park, Road No. 16,

Plot no. B-23, MIDC,

Thane Industrial Estate,

Wagle Estate, Thane – 400604.

CIN: L67190MH2007PLC289249

Telephone No.: 022 4103 5000

Email: csteam@5paisa.com

WEBSITE

www.5paisa.com

LIST OF BANKERS

AU Small Finance Bank Limited

Axis Bank Limited

Canara Bank Limited

DCB Bank Limited

Equitas Small Finance Bank Limited

HDFC Bank Limited

ICICI Bank Limited

IDFC First Bank Limited

Karur Vysya Bank Limited

Kotak Mahindra Bank Limited

RBL Bank Limited

SBM Bank Limited

South Indian Bank Limited

Ujjivan Small Finance Bank Limited

Union Bank of India

YES Bank Limited

Federal Bank Limited

Bandhan Bank Limited

Indian Bank Limited

State Bank of India

Utkarsh Small Finance Bank

IndusInd Bank Limited

5paise 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@5paise.com | csteam@5paise.com

Website: www.5paise.com