June 06, 2020

The Manager, Listing Department, BSE Limited, Phiroze Jeejeebhoy Tower, Dalal Street, Mumbai 400 001 Tel No.: 22721233 Fax No.: 22723719/22723121/22722037 BSE Scrip Code: 540776	The Manager, Listing Department, The National Stock Exchange of India Ltd., Exchange Plaza, 5 Floor, Plot C/1, G Block, Bandra - Kurla Complex, Bandra (E), Mumbai 400 051 Tel No.: 2659 8235 Fax No.: 26598237 NSE Symbol: 5PAISA

Sub: Dispatch of notice of 13th Annual General Meeting and Annual Report for the F.Y. 2019-20

Dear Sir/Madam,

This is with reference to our intimation to the exchange(s) dated June 06, 2020. The 13th Annual General Meeting ("AGM") of the Company will be held on Monday, June 29, 2020 at 11 a.m. IST through Video Conferencing / Other Audio Visual Means.

Pursuant to Regulation 34(1) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), we are submitting herewith the Annual Report of the Company along with the Notice of AGM for the financial year 2019-20 which has been sent through electronic mode to the Members.

Notice of 13th Annual General Meeting and Annual Report for the Financial Year 2019-2020 are also available on the website of the Company i.e. www.5paisa.com.

Kindly take the same on record and acknowledge the receipt.

Thanking You,

Yours faithfully,

For 5paisa Capital Limited

5paisa Capital Ltd.

Namita Godbole
Company Secretary
Email ID: csteam@5paisa.com
Encl: as above

5paisa Capital Limited

CIN: L67190MH2007PLC289249

Regd. Office – IIFL House, Sun Infotech Park, Road No. 16V, Plot No.B-23, Thane Industrial Area, Wagle Estate Thane – 400604;
Tel: (91-22) 4103 5000; Fax: (91-22) 25806654;
E-mail: csteam@5paisa.com; Website: www.5paisa.com.

Notice

NOTICE IS HEREBY GIVEN THAT THE THIRTEENTH ANNUAL GENERAL MEETING ('AGM') OF THE MEMBERS OF 5PAISA CAPITAL LIMITED WILL BE HELD ON MONDAY, 29TH DAY OF JUNE, 2020, AT 11.00 A.M. THROUGH VIDEO CONFERENCING ("VC")/OTHER AUDIO VISUAL MEANS ("OAVM") TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

1. To receive, consider and adopt:

   (a) The Audited Financial Statement(s) of the Company for the financial year ended March 31, 2020, together with the Reports of the Board of Directors and the Auditors thereon; and

   (b) The Audited Consolidated Financial Statement(s) of the Company for the financial year ended March 31, 2020, together with the Report of the Auditors thereon.

2. To appoint a Director in place of Mr. Prakarsh Gagdani (DIN: 07376258), who retires by rotation and being eligible, offers himself for reappointment and in this regard, to consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

   "**RESOLVED THAT** Mr. Prakarsh Gagdani (DIN: 07376258), 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."

SPECIAL BUSINESS:

3. To re-appoint Mr. Santosh Jayaram as an 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 Sections 196, 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and Rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), the relevant provisions of the Articles of Association of the Company and all applicable guidelines issued by the Central Government from time to time and pursuant to the approval of the Nomination and Remuneration Committee and the Board of Directors at their respective meetings held on May 07, 2020 and subject to such other approvals, as may be necessary, consent of the Members be and is hereby accorded to the re-appointment of Mr. Santosh Jayaram (DIN: 07955607) as the Whole Time Director of the Company for the period of 3 years w.e.f. January 11, 2021 and upon the following terms and conditions including remuneration with further liberty to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee constituted / to be constituted by the Board) from time to time to alter the said terms and conditions of appointment and remuneration of Mr. Santosh Jayaram in the best interests of the Company and as may be permissible by law, viz.:

A. Period of appointment: 3 years w.e.f. January 11, 2021 with the liberty to either party to terminate the appointment on three months' notice in writing to the other.

B. Remuneration:

Basic Salary: ₹ 75,994/- (Rupees Seventy Five Thousand Nine Hundred and Ninety Four only) per month.

C. PERQUISITES:

Category (A):

1. Housing: Rent Free Accommodation or House Rent Allowance of ₹ 37,997/- (Rupees Thirty Seven Thousand Nine Hundred and Ninety Seven) per month.

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.

D. **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.

E. **Commission/Bonus**: He shall be paid commission/bonus as permissible under the Companies Act 2013 and as determined by the Board / Nomination and Remuneration Committee from time to time.

F. 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.

G. The Company has in place the Employee Stock Option Scheme (ESOP) and as per the ESOP Scheme, Mr. Santosh Jayaram will be eligible for grant of ESOPs, as may be considered by the Board/Nomination and Remuneration Committee from time to time.

H. Mr. Santosh Jayaram has been granted 50,000 stock options under the ESOP Scheme till the date of this report.

I. 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 by law.

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

K. The Nomination and Remuneration Committee will review and recommend the remuneration payable to the Whole Time Director during the tenure of his appointment.

L. Mr. Santosh Jayaram shall be liable to retire by rotation.

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

4. To appoint Mr. Gourav Munjal as a Director of the Company and in this regard, to consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 152, 161 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), and pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors at their respective meeting held on May 07, 2020, Mr. Gourav Munjal (DIN: 06360031), who was appointed as an Additional Director by the Board of Directors of the Company and who holds office as such up to the date of this Annual General Meeting be and is hereby appointed as a Director of the Company."

5. To appoint Mr. Gourav Munjal as a 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 Sections 196, 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and Rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), the relevant provisions of the Articles of Association of the Company and all applicable guidelines issued by the Central Government from time to time and pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors at their respective meetings held on May 07, 2020 and subject to such other approvals, as may be necessary, consent of the Members be and is hereby accorded to the appointment of Mr. Gourav Munjal (DIN: 06360031) as a Whole Time Director of the Company for the period of 3 years w.e.f. January 16, 2020 and upon the following terms and conditions including remuneration with further liberty to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee constituted / to be constituted by the Board) from time to time to alter the said terms and conditions of appointment and remuneration of Mr. Gourav Munjal in the best interests of the Company and as may be permissible by law, viz.:

A. **Period of appointment**: 3 years w.e.f. January 16, 2020.

B. **Remuneration:**

Basic salary ₹ 87, 500/- (Rupees Eighty Seven Thousand Five Hundred only) per month.

C. **Perquisites**

Category (A):

Housing: Rent Free Accommodation or House Rent Allowance of ₹ 43,750/- (Rupees Forty Three Thousand Seven Hundred and Fifty) per month.

Medical Reimbursement for self and family as per the rules of the Company.

Leave Travel Assistance as per the rules of the Company.

Other perquisites as per service rules of the Company.

Category (B)

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

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 thereunder or any statutory modification(s) or re-enactment thereof.

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.

ESOP: The Company has in place the Employee Stock Option Scheme (ESOP) and as per the ESOP Scheme, Mr. Gourav Munjal will be eligible for grant of ESOPs, as may be considered by the Board/Nomination and Remuneration Committee from time to time.

Mr. Gourav Munjal has been granted 40,000 stock options under the ESOP Scheme till the date of this report.

Commission/Bonus: He shall be paid commission/bonus as permissible under the Companies Act 2013 and as determined by the Board / Nomination and Remuneration Committee from time to time.

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.

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

The Nomination and Remuneration Committee will review and recommend the remuneration payable to the Whole Time Director during the tenure of his appointment.

Other terms:

He shall not be paid any sitting fees for attending Meetings of the Board of Directors or Committees thereof.

Mr. Gourav Munjal shall be liable to retire by rotation.

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

6. To 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 an **Ordinary Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 ,161 read with Schedule IV and other applicable provisions of the Companies Act, 2013 (hereinafter referred to as "the 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 referred to as "the Listing Regulations"), Mr. Milin Mehta (DIN: 01297508), who was appointed as an Additional Independent Director by the Board of Directors effective from April 01, 2020 and who holds office till the date of the Annual General Meeting in terms of Section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Mr. Milin Mehta (DIN: 01297508), as a candidate for the office of Director of the Company and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act, and Listing Regulations, and whose appointment has been recommended by Nomination and Remuneration Committee and approved by the Board of Directors of the Company, be and is hereby appointed as an Independent Director of the Company for a period of 5 (Five) years with effect from April 01, 2020 to March 31, 2025 and the term shall not be subject to retirement by rotation;

RESOLVED FURTHER THAT the Board or any Committee thereof, be and is hereby authorised to do all such things, deeds, matters and acts, as may be required to give effect to this resolution and to do all things incidental and ancillary thereto."

7. To approve material related party transactions with IIFL Securities Limited and in this regards, 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 all applicable provisions of the Companies Act, 2013 (hereinafter called "the Act") and Rules made there under, (including any statutory modification(s) or re-enactment thereof for the time being in force) and the Company's policy on materiality of Related Party Transaction(s) and pursuant to the consent of the Audit Committee and Board of Directors of the Company vide resolutions passed in their respective meetings held on May 07, 2020, the consent and approval of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as "the Board", which term shall be deemed to include any Committee constituted by the Board or any person(s) authorised by the Board in this regard) to enter into arrangements/transactions/contracts with IIFL Securities Limited (Formerly known as India Infoline 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 ₹ 25 Crores (Rupees Twenty Five Crores Only) during any one financial year;

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary, expedient or desirable including any negotiation/re-negotiation/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 Facilities Services Limited and in this regards, 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 all applicable provisions of the Companies Act, 2013 (hereinafter called "the Act") and Rules made there under, (including any statutory modification(s) or re-enactment thereof for the time being in force) and the Company's policy on materiality of Related Party Transaction(s) and pursuant to the consent of the Audit Committee and Board of Directors of the Company vide resolutions passed in their respective meetings held on May 07, 2020, the consent and approval of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as "the Board", which term shall be deemed to include any Committee constituted by the Board or any person(s) authorised by the Board in this regard) 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 ₹ 315 Crores (Rupees Three Hundred and Fifteen Crores Only) during any one financial year;

   RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary, expedient or desirable including any negotiation/re-negotiation/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 Finance Limited and in this regards, 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 (herein after called "the Listing Regulations"), and all applicable provisions of the Companies Act, 2013 (hereinafter called "the Act") and Rules made there under, (including any statutory modification(s) or re-enactment thereof for the time being in force) and the Company's policy on materiality of Related Party Transaction(s) and pursuant to the consent of the Audit Committee and Board of Directors of the Company vide resolutions passed in their respective meetings held on May 07, 2020, the consent and approval of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as "the Board", which term shall be deemed to include any Committee constituted by the Board or any person(s) authorised by the Board in this regard) 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 ₹ 415 Crores (Rupees Four Hundred and Fifteen Crores Only) during any one financial year;

   RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary, expedient or desirable including any negotiation/re-negotiation/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 Management Services Limited and in this regards, 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 (herein after called "the Listing Regulations"), and all applicable provisions of the Companies Act, 2013 (hereinafter called "the Act") and Rules made there under, (including any statutory modification(s) or re-enactment thereof for the time being in force) and the Company's policy on materiality of Related Party Transaction(s) and pursuant to the consent of the Audit Committee and Board of Directors of the Company vide resolutions passed in their respective meetings held on May 07, 2020, the consent and approval of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as "the Board", which term shall be deemed to include any Committee constituted by the Board or any person(s) authorised by the Board in this regard) 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 ₹ 201 Crores (Rupees Two Hundred and One Crores Only) during any one financial year;

    RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary, expedient or desirable including any negotiation/re-negotiation/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 regards, 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 (herein after called "the Listing Regulations"), and all applicable provisions of the Companies Act, 2013 (hereinafter called "the Act") and Rules made there under, (including any statutory modification(s) or re-enactment thereof for the time being in force) and the Company's policy on materiality of Related Party Transaction(s) and pursuant to the consent of the Audit Committee and Board of Directors of the Company vide resolutions passed in their respective meetings held on May 07, 2020, the consent and approval of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as "the Board", which term shall be deemed to include any Committee constituted by the Board or any person(s) authorised by the Board in this regard) 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 ₹ 15 Crores (Rupees Fifteen Crores Only) during any one financial year;

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary, expedient or desirable including any negotiation/re-negotiation/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."

By Order of the Board of Directors

Namita Godbole
Company Secretary
ACS - 21056

Registered Office: IIFL House,
Sun Infotech Park, Road No. 16V,
Plot No. B-23, Thane Industrial
Area, Wagle estate, Thane -400604
CIN: L67190MH2007PLC289249
e-mail: csteam@5paisa.com
Telephone No. - 022-41035000

Dated: May 07, 2020
Place: Mumbai

Notes:

1. In view of the continuing COVID-19 pandemic, Ministry of Corporate Affairs ("MCA") has vide its circular No. No. 20/2020 dated May 05, 2020 read with circulars dated 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and SEBI Circular number SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 permitted holding of Annual General Meeting ("AGM") through Video Conferencing (VC) or Other Audio Visual Means (OAVM) without physical presence of members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC / OAVM. Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.

2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL. For further details, please read the note number 32.

3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairperson of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

4. 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.

5. Pursuant to the provisions of the Act, 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 hence the Proxy Form and Attendance Slip are not annexed to this notice. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, 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.

6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM along with Annual Report 2019-20 is being sent only through electronic mode to those members whose e-mail address is registered with the Company or the Depository Participant(s). Members may note that the Notice of AGM along with Annual Report has also been uploaded on the website of the Company at www.5paisa.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM i.e. www.evotingindia.com. Members (Physical / Demat) who have not registered their email addresses with the Company can get the same registered with the company by requesting to our Registrar and Share Transfer Agent i.e. Linkintime India Private Limited ("RTA/Linkintime") at rnt.helpdesk@linkintime.co.in and to company at csteam@5paisa.com.

7. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020 and SEBI Circular dated May 12, 2020.

8. An explanatory statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Businesses to be transacted at the Meeting is annexed hereto.

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. 32.

10. Institutional/Corporate Shareholders (i.e. other than 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 and vote on their behalf at the Meeting electronically at to our RTA at rnt.helpdesk@linkintime.co.in and to company at csteam@5paisa.com.

11. In terms of Section 152 of the Companies Act, 2013, Mr. Prakarsh Gagdani (DIN –07376258), is liable to retire by rotation at the Meeting and being eligible, offers himself for re-appointment and the Board of Directors of the Company recommends his re-appointment. Mr. Prakarsh Gagdani (DIN –07376258), 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 as stipulated under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is provided under the explanatory statement.

12. At the Tenth (10th) AGM held on July 19, 2017, the members approved the appointment of M/s. V. Sankar Aiyar & Co, Chartered Accountants (Firm Registration No. 109208W), as Statutory Auditors of the Company at a remuneration mutually agreed upon by the Board of Directors and the Statutory Auditors for a period of five consecutive years from the conclusion of that AGM till the conclusion to Fifteenth (15th) AGM, subject to ratification of their appointment by Members at each AGM. The requirement to place the matter relating to appointment of auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors till the Fifteenth AGM.

    In view of the above, ratification by the Members for continuance of their appointment at this AGM is not being sought. The Statutory Auditors have given a confirmation to the effect that they are eligible to continue with their appointment and that they have not been disqualified in any manner from continuing as Statutory Auditors.

13. Notice is also given under section 91 of the Companies Act, 2013 read with regulation 42 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 that the Register of Members and the Share Transfer Book of the Company will remain closed fromTuesday, June 23, 2020 to Monday, June 29, 2020 (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 will be available for inspection for the members at the Registered Office of the Company during business hours on working days and through electronic means. Members can request the same by sending an email to csteam@5paisa.com till the Annual General Meeting.

15. Share transfer documents and all correspondence relating thereto, should be addressed to RTA at C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083 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 are 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 dematerialised form through NSDL or CDSL.

18. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialised form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialised form. Members can contact the Company or RTA for assistance in this regard.

19. To support the `Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with RTA in case the shares are held by them in physical form.

20. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to RTA in case the shares are held by them in physical form.

21. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or RTA, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.

22. 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, DS 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.

23. 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.

24. 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.

25. 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.

26. Additional information of Directors seeking appointment/re-appointment at the ensuing Annual General Meeting, as required under regulation 26(4) and 36(3) of SEBI Listing Regulation and 1.2.5 of SS-2, are annexed to the notice.

27. Pursuant to Section 72 of the Companies Act, 2013, Members are entitled to make a nomination in respect of shares held by them. Members desirous of making a nomination, pursuant to the Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014 are requested to send their requests in Form No. SH- 13, to the Registrar and Transfer Agent of the Company. Further, Members desirous of cancelling/ varying nomination pursuant to the Rule 19(9) of the Companies (Share Capital and Debentures) Rules, 2014, are requested to send their requests in Form No. SH-14, to the Registrar and Transfer Agent of the Company. These forms will be made available on request.

28. The Company has designated an exclusive e-mail ID called csteam@5paisa.com to redress shareholders'

complaints/grievances. In case you have any queries/ complaints or grievances, then please write to us at csteam@5paisa.com.

29. Members desirous of asking any questions at the Annual General Meeting are requested to send their questions to the Company at least 7 days before the Annual General Meeting so that the same can be suitably replied.

30. Members can raise questions during the meeting or in advance at csteam@5paisa.com or ir@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.

31. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.

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

    I. Pursuant to Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of Listing Regulations, the Company is pleased to provide the facility to Members to exercise their right to vote on the resolutions proposed to be passed at AGM by electronic means.

    II. The Company has engaged the services of Central Depository Services (India) Limited (CDSL) to provide e-voting facility.

    III. Voting rights shall be reckoned on the paid-up value of shares registered in the name of the member/ beneficial owner (in case of electronic shareholding) as on the cut-off date, i.e., Monday, June 22, 2020. A person who is not a member as on the cut-off date should treat this Notice for information purposes only.

    IV. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date, i.e. Monday, June 22, 2020, only shall be entitled to avail the facility of e-voting.

    V. The Board of Directors of the Company has appointed CS Nilesh Shah or failing him CS Hetal Shah of M/s. Nilesh Shah and Associates, a Practicing Company Secretary firm, Mumbai as Scrutinizer to scrutinise the e-voting process in a fair and transparent manner.

    VI. The Scrutinizer, after scrutinizing the votes will, not later than forty eight hours from the conclusion of the Meeting; make a consolidated scrutinizer's report which shall be placed on the website of the Company www.5paisa.com and on the website of CDSL. The results shall simultaneously be communicated to the Stock Exchanges.

    VII. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting, i.e., Monday, June 29, 2020.

    VIII. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.

    IX. Information and other instructions relating to e-voting are as under:

        (i) The voting period begins at 09:00 a.m. (IST) on Wednesday, June 24, 2020 and ends at 05:00 p.m. (IST) on Sunday, June 28, 2020. During this period shareholders' of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date i.e. Monday, June 22, 2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

        (ii) The Members who have cast their vote by remote e-voting prior to the AGM may also attend/ participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again.

        (iii) The shareholders should log on to the e-voting website www.evotingindia.com.

        (iv) Click on "Shareholders" module.

        (v) 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.

(vi) Next, enter the Image Verification as displayed and Click on Login.

(vii) 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.

(viii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Attendance Slip indicated in the PAN field.
Dividend Bank Account Details OR Date of Birth (DOB)	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. • 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 as mentioned in instruction (v).

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

(ix) 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 also to be 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.

(x) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the Electronic Voting Sequence Number (EVSN) of 5paisa Capital Limited on which you choose to vote.

(xii) 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.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) 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.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xvii) 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.

(xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting. The m-Voting app can be downloaded from respective store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

(xix) Note for Non – Individual Shareholders and Custodians

- 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 Corporate 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 should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non-Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorised to vote, to the Scrutinizer or Company or Registrar and Transfer Agent at the email address viz; nilesh@ngshah.com or csteam@5paisa.com or rnt.helpdesk@linkintime.co.in, and 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 ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

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 Aadhaar Card) by email to RTA / Company email id at rnt.helpdesk@linkintime.co.in or csteam@5paisa.com.

For Demat shareholders - please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account Statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhaar Card) to RTA / Company email id at rnt.helpdesk@linkintime.co.in or csteam@5paisa.com.

1. The Company/RTA shall co-ordinate with CDSL and provide the login credentials to the above mentioned shareholders.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at https://www.evotingindia.com under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.

1. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
2. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
3. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
4. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
5. The shareholders who have not registered themselves can put the question on the chatbot available on the screen at the time of AGM.

INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. 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.
3. 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 shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
4. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or call 1800225533.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call 1800225533.

Members who need technical assistance before or during the AGM can send an email to helpdesk.evoting@cdslindia.com or call 1800225533.

PROCEDURE FOR REGISTRATION OF E-MAIL ADDRESS AND BANK DETAILS BY SHAREHOLDERS:-

i. **For Temporary Registration for Demat shareholders:**

The Members of the Company holding Equity Shares of the Company in Demat Form and who have not registered their e-mail addresses may temporarily get their e-mail addresses registered with Link Intime India Pvt Ltd by clicking the link: https://linkintime.co.in/emailreg/email_register.html on their web site www.linkintime.co.in at the Investor Services tab by choosing the E mail Registration and further heading and following the registration process as guided therein. The members are requested to provide details such as Name, DPID, Client ID/ PAN, mobile number and e-mail id. In case of any query, a member may send an e-mail to RTA at rnt.helpdesk@linkintime.co.in

On submission of the shareholders details, an OTP will be received by the shareholder which needs to be entered in the link for verification.

ii. **For Permanent Registration for Demat shareholders:**

It is clarified that for permanent registration of e-mail address, the Members are requested to register their e-mail address, in respect of demat holdings with the respective Depository Participant (DP) by following the procedure prescribed by the Depository Participant.

iii. **Registration of email id for shareholders holding physical shares:**

The Members of the Company holding Equity Shares of the Company in physical Form and who have not registered their e-mail addresses may get their e-mail addresses registered with Link Intime India Pvt Ltd, by clicking the link: https://linkintime.co.in/emailreg/email_register.html on their web site www.linkintime.co.in at the Investor Services tab by choosing the E mail / Bank Registration and further heading and following the registration process as guided therein. The members are requested to provide details such as Name, Folio Number, Certificate number, PAN , mobile number and e mail id and also upload the image of share certificate in PDF or JPEG format (upto 1 MB). In case of any query, a member may send an e-mail to RTA at rnt.helpdesk@linkintime.co.in

On submission of the shareholders details, an OTP will be received by the shareholder which needs to be entered in the link for verification.

iv. **Registration of Bank Details for physical shareholders:**

The Members of the Company holding Equity Shares of the Company in physical Form and who have not registered their bank details can get the same registered with Link Intime India Pvt Ltd , by clicking the link: https://linkintime.co.in/emailreg/email_register.html on their web site www.linkintime.co.in at the Investor Services tab by choosing the E mail/Bank Registration and further heading and following the registration process as guided therein. The members are requested to provide details such as Name, Folio Number, Certificate number , PAN, e - mail id along with the copy of the cheque leaf with the first named shareholders name imprinted in the face of the cheque leaf containing bank name and branch, type of account, bank account number, MICR details and IFSC code in PDF or JPEG format. In case of any query, a member may send an e-mail to RTA at rnt.helpdesk@linkintime.co.in

On submission of the shareholders details, an OTP will be received by the shareholder which needs to be entered in the link for verification.

Annexure to the Notice

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

Item No. 3

Mr. Santosh Jayaram, aged 30 years, holds a B. Tech degree and a Master's degree in business management from NMIMS University, Mumbai. He has been associated with 5paisa Capital Limited and IIFL Group since May 2011. He has an experience in area of business process re-engineering, digitisation, product development, mobile application development and user experience management. The other details of Mr. Santosh Jayaram in terms of Regulation 36(3) of the Listing Regulation and Secretarial Standard-2 are provided in this Notice.

Further pursuant to Section 2(94) and 196 of the Companies Act, 2013, Mr. Santosh Jayaram was appointed as Wholetime Director of the Company at the Annual General Meeting of the Company held on July 17, 2018 for a period of 3 year ending on January 10, 2021. Based on the recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company, at their meeting held on May 07, 2020, had approved the re-appointment of Mr. Santosh Jayaram as Wholetime Director of the Company for a further period of 3 years commencing from January 11, 2021 on the terms and conditions and remuneration as set out in resolution no. 3 of this Notice.

In terms of the provisions of the 5paisa Capital Limited Employee Stock Option Scheme – 2017, 50,000 Stock Options have been granted to Mr. Santosh Jayaram till the date of the report.

Mr. Santosh Jayaram has given:- (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).

In compliance with Section 190 of the Companies Act, 2013, terms of service and remuneration of the above mentioned Director would be available for inspection of the Members in physical or in electronic form at the Registered office of the Company on any working day excluding Saturdays and Sundays (including Public Holidays) during business hours on any working day.

After taking into consideration the recommendation of the Nomination & Remuneration Committee, the Board is of the opinion that the re-appointment of Mr. Santosh Jayaram as a Whole Time Director will be beneficial to the Company and has recommended the Resolution at Item No. 3 of this Notice relating to the appointment of Mr. Santosh Jayaram as a "Wholetime Director", liable to retire by rotation for a period of 3 years commencing from January 11, 2021, for approval of shareholders of the Company.

Mr. Santosh Jayaram is interested in the resolution set out at Item No. 3 of the Notice. The relatives of Mr. Santosh Jayaram may be deemed to be interested in the resolution set out at Item No. 3 of the Notice, to the extent of their shareholding interest, if any, in the Company. Mr. Santosh Jayaram 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. 3 of the Notice.

The Board recommends the Special Resolution set out at item no. 3 of the Notice for approval by the members.

Item No. 4 and 5

Mr. Gourav Munjal (DIN 06360031) aged 31 years, is the Chief Financial Officer of the Company since January 16, 2019. He holds a bachelor's degree in commerce from Kurukshetra University and is a qualified Chartered Accountant, Company Secretary and diploma holder in IFRS from the Association of Chartered Certified Accountants (ACCA). He has 9 years of experience in the field of accounts and finance. Before joining the Company, he was associated with IIFL Group and has handled finance and accounts functions in the Company. The other details of Mr. Gourav Munjal in terms of Regulation 36(3) of the Listing Regulation and Secretarial Standard-2 are provided in this Notice.

Based on the recommendation of the Nomination and Remuneration Committee, Mr. Gourav Munjal (DIN: 06360031) was appointed as an Additional Director on the Board of the Company with effect from January 16, 2020 by the Board of Directors at their meeting held on January 16, 2020 under Section 161 of the Act and Article 146 of the Articles of Association of the Company. In terms of Section 161(1) of the Act, Mr. Gourav Munjal (DIN 06360031) holds office up to the date of the Annual General Meeting but is eligible for being appointed as a Director. In accordance with above, the Company has received a notice under Section 160(1) of the Act from a Member signifying his intention to propose Mr. Gourav Munjal (DIN 06360031) for his appointment as a Director. Accordingly, the appointment of Mr. Gourav Munjal (DIN 06360031) as a Director recommended for approval of shareholders of the Company.

Further, pursuant to Section 2(94) and 196 of the Companies Act, 2013, Mr. Gourav Munjal was also appointed as a Wholetime Director of the Company, subject to the approval of shareholders, for a period of 3 years with effect from January 16, 2020. Mr. Gourav Munjal has given:- (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). In terms of the clause of the 5paisa Capital Limited Employee Stock Option Scheme – 2017, 40,000 Stock Options have been granted to Mr. Gourav Munjal till the date of the report.

In compliance with Section 190 of the Companies Act, 2013, terms of service and remuneration of the above mentioned Director would be available for inspection of the Members in physical or in electronic form at the Registered office of the Company on any working day excluding Saturdays and Sundays (including Public Holidays) during business hours on any working day.

After taking into consideration the recommendation of the Nomination & Remuneration Committee, the Board is of the opinion that the appointment of Mr. Gourav Munjal as a Whole Time Director will be beneficial to the Company and has recommended the Resolution at Item No. 4 and 5 of this Notice relating to the appointment of Mr. Gourav Munjal as a "Wholetime Director", liable to retire by rotation for a period of 3 years commencing from January 16, 2020 on the terms and conditions and remuneration as set out in resolution no. 4 and 5 of this Notice, for approval of shareholders of the Company.

Mr. Gourav Munjal is interested in the resolution set out at Item No. 4 and 5 of the Notice. The relatives of Mr. Gourav Munjal may be deemed to be interested in the resolution set out at Item No. 4 and 5 of the Notice, to the extent of their shareholding interest, if any, in the Company. Mr. Gourav Munjal 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. 4 and 5 of the Notice.

The Board recommends the Ordinary Resolution set out at item no. 4 and Special Resolution for item no. 5 of the Notice for approval by the members.

Item No. 6

Mr. Milin Mehta, is a Chartered Accountant and is a senior partner of K. C. Mehta & Co. Chartered Accountants (Baroda, Mumbai, Ahmedabad and Banglore), 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. 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. Mehta was also a member of the Committee set up by the Central Board of Direct Taxes 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 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 Regulation 36(3) 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 appointed Mr. Milin Mehta as an Additional Non-executive Independent Director of the Company to hold office for a period of five consecutive years ending on March 31, 2025, 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 Additional Non-Executive Independent Director, holds office only upto the date of the forthcoming Annual General Meeting, but is eligible for being 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 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 Regulation 16 of 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 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 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 appointment of Mr. Milin Mehta as an Independent Director for a period of 5 (Five) years with effect from April 01, 2020 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. 6 of the Notice. The relatives of Mr. Milin Mehta may be deemed to be interested in the resolution set out at Item No. 6 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. 6 of the Notice.

The Board recommends the Ordinary Resolution set out at item no. 6 of the Notice for approval by the members.

As an Additional Director, Mr. Milin Mehta holds office till the date of the AGM and is eligible for being appointed as an Independent Director.

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. 6 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 2019-20.

The Board accordingly recommends the Ordinary Resolution as set out in Item No. 6 of the Notice for approval of the Members.

Item No. 7,8,9,10 and 11

Pursuant to Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter called as the Listing Regulations), all related party transactions shall require prior approval of the Audit Committee and all material transactions with related parties shall require approval of the members of a public listed Company through a resolution and all related parties shall abstain from voting on such resolution.

"Material Related Party Transaction" under the Listing Regulations means any transaction(s) entered into individually or taken together with previous transactions during a financial year exceeding 10% of the annual consolidated turnover of a company as per its last audited financial statements. The annual consolidated turnover of the Company for the financial year 2019-20 is ₹ 108.28 Crores. Accordingly, any transaction(s) by the Company with its related party exceeding ₹ 10.83 Crores (10% of the Company's annual consolidated turnover) shall be considered as material transaction and hence, the approval of the Members will be required for the same. It is therefore proposed to obtain the members' approval for the following arrangements/transactions/contracts which may be entered into by the Company with its related parties from time to time:

Name of the Company	Nature of Relationship	Nature of Transactions	Amount (₹ in Crores)
IIFL Facilities Services Limited	Related party as per Accounting Standards and Listing Regulations	Loans/Inter- Corporate Deposits/Guarantees	300 Cr
		Availing or rendering of services/lease/ Marketing Support Fees/Commission/ Referral Income/Brokerage/Delayed Payin Income/Upfront & Trail Commission & others	15 Cr
IIFL Finance Limited (Formerly known as IIFL Holdings Limited)*	Related party as per Accounting Standards and Listing Regulations	Loans/Inter-Corporate Deposits/Guarantees	400 Cr
		Availing or rendering of services/lease/ Marketing Support Fees/Commission/ Referral Income/Brokerage/Delayed Payin Income/Upfront & Trail Commission & others	15 Cr

*India Infoline Finance limited (Merged with IIFL Finance Limited w.e.f. March 30, 2020)

Name of the Company	Nature of Relationship	Nature of Transactions	Amount (₹ in Crores)
IIFL Securities Limited	Related party as per Accounting Standards and Listing Regulations	Availing or rendering of services/lease/ Marketing Support Fees/Commission/ Referral Income/Brokerage/Delayed Payin Income/Upfront & Trail Commission & others	25 Cr
IIFL Management Services Limited	Related party as per Accounting Standards and Listing Regulations	Loans/Inter-Corporate Deposits/Guarantees	200 Cr
		Availing or rendering of services/lease/ Marketing Support Fees/Commission/ Referral Income/Brokerage/Delayed Payin Income/Upfront & Trail Commission & others	1 Cr
IIFL Home Finance Limited	Related party as per Accounting Standards and Listing Regulations	Loans/Inter-Corporate Deposits/Guarantees/ Availing or rendering of services/lease/ Marketing Support Fees/Commission/ Referral Income/Brokerage/Delayed Payin Income/Upfront & Trail Commission & others	15 Cr

The ceiling on the amounts of transactions specified as above would mean the transactions entered into and remaining outstanding at any point in time.

Upon effective of Composite Scheme of Arrangement amongst IIFL Finance Limited (formerly known as IIFL Holdings Limited), IIFL Distribution Services Limited, IIFL Wealth Management Limited, IIFL Securities Limited, India Infoline Finance Limited, India Infoline Media and Research Services Limited and their respective Shareholders ("Scheme"), India Infoline Finance Limited is merged with IIFL Finance Limited and now the Company shall enter into material related party transaction with IIFL Finance Limited.

The aforesaid related party transactions do not fall under the purview of Section 188 of the Companies Act, 2013 being in the ordinary course of business and at arms' length. However, the same are covered under the provisions of Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and accordingly the approval of the shareholders is sought by way of Ordinary Resolution.

The Audit Committee and Board have approved the aforesaid related party transactions at their respective meetings held on May 07, 2020 in terms of Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and noted that these transactions are in the Ordinary Course of Business and are at arm's length basis.

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

S.N.	Name of the Related Party	Nature of Concern or Interest
1.	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 Finance Limited and both hold along with their relatives & persons acting in concert 9,43,43,490 equity shares i.e. 24.94% in IIFL Finance Limited.
2.	IIFL Securities Limited (IIFL SEC)	Mr. Nirmal Jain is a promoter and Mr. Venkataraman Rajamani is co-promoter and Executive 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. 29.77% in IIFL Securities Limited.

S.N.	Name of the Related Party	Nature of Concern or Interest
3.	IIFL Management Services Limited (IIFL MSL)	Mr. Nirmal Jain and Mr. Venkataraman Rajamani are promoters of IIFL SEC and IIFL MSL is a subsidiary of IIFL SEC. Together they hold 200 equity shares as nominee of IIFL Securities Limited i.e. 0.06% in IIFL MSL.
4.	IIFL Home Finance Limited (IIFL HF)	Mr. Nirmal Jain and Mr. Venkataraman Rajamani are Non-Executive Directors of IIFL HF. IIFL Home Finance is a Wholly Owned Subsidiary of IIFL Finance Limited.
5.	IIFL Facilities Services Limited (IIFL FSL)	Mr. Nirmal Jain and Mr. Venkataraman Rajamani are promoters of IIFL SEC and IIFL FSL is a subsidiary of IIFL SEC.

Except the above Directors, Promoters and their Relatives, none of the Directors, Key Managerial Personnel and their Relatives is, in any way, concerned or interested, financially or otherwise in the Ordinary Resolutions set out at item No. 7 to 11.

The Board accordingly recommends the Ordinary Resolutions set out at Item Nos. 7 to 11 of this Notice for approval of the Members.

Information Pertaining to Director seeking reappointment as mentioned under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and applicable Secretarial Standards:

Details of Director Seeking Appointment at the Annual General Meeting

Particulars	Mr. Santosh Jayaram	Mr. Milin Mehta	Mr. Gourav Munjal	Mr. Prakarsh Gagdani
Date of Birth	January 04, 1988	September 08, 1964	June 16, 1988	September 5, 1981
Nationality	Indian	Indian	Indian	Indian
Date of Appointment on the Board	January 11, 2018	April 01, 2020	January 16, 2020	December 22, 2015
Qualifications	B. Tech degree and a Master's degree in business management	Chartered Accountant	Chartered Accountant and Company Secretary	Bachelors in Management Studies, Post graduate diploma degree in Portfolio Management
Expertise in specific functional areas	Business process re-engineering, digitisation, product development, mobile application development and user experience management.	Accounts, Finance and Taxation	Accounts, Finance and Taxation	Cross functional experience in sales, advisory, product development and business development. He has gained expertise in retail equity broking domain and is a keen strategist with expertise in managing the entire business and ensuring optimal utilisation of resources.
Number of shares held in the Company (including Options granted under ESOP)	50,000 options granted under relevant ESOP Scheme	Nil	40,000 options granted under relevant ESOP Scheme	30,490 shares and 4,50,000 options granted under relevant ESOP Scheme

Particulars	Mr. Santosh Jayaram	Mr. Milin Mehta	Mr. Gourav Munjal	Mr. Prakarsh Gagdani
Directorships held in other companies (excluding foreign companies)	• 5paisa P2P Limited • 5paisa Insurance Brokers Limited • 5paisa Trading Limited	Annexure 1 attached herewith	Nil	• 5paisa P2P Limited • 5paisa Insurance Brokers Limited • 5paisa Trading Limited
Attendance in number of Board Meetings eligible during the financial year 2019-20	Five of Five	Nil of Five	Nil of Five	Five of Five
Memberships/ Chairmanships of committees of other companies (includes only Audit Committee and Stakeholders Relationship Committee)	Nil	Nil	Nil	Nil
Relationships between Directors inter-se	None	None	None	None
Remuneration details (Including Sitting Fees & Commission)	₹ 3,233,155	₹ Nil	₹ 3,363,989	₹ 10,376,546

For other details such as number of meetings of the board attended during the year, remuneration drawn and relationship with other directors and key managerial personnel in respect of above directors, please refer to the corporate governance report which is a part of this Annual Report.

By Order of the Board of Directors

Namita Godbole
Company Secretary
ACS - 21056

Registered Office: IIFL House,
Sun Infotech Park, Road No. 16V,
Plot No. B-23, Thane Industrial
Area, Wagle estate, Thane -400604
CIN: L67190MH2007PLC289249
e-mail: csteam@5paisa.com
Telephone No. - 022-41035000

Dated: May 07, 2020
Place: Mumbai

DISCLOSURE AS REQUIRED UNDER SCHEDULE V OF COMPANIES ACT, 2013 IN REFERENCE TO ITEM NO. 3 AND 5 AS MENTIONED ABOVE IS GIVEN HERE UNDER:

I. General Information

Date or Expected Date of Commercial Production	**N.A. Since the company has already commenced its business activities**
In case of new Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	N.A.

Financial performance: - (₹ in millions)

Particular	For the year/period ended		
	March 31, 2020	*March 31, 2019	March 31, 2018
Total Income	1081.36	606.76	196.52
Depreciation	38.41	14.43	6.67
Total Expenses	1139.32	845.10	521.95
Net Profit before tax	(96.37)	(252.77)	(332.10)
DTA/Tax Expenses	(17.42)	(63.55)	(79.12)
Net Profit after Tax	(78.95)	(189.22)	(252.99)
Paid up Capital	254.78	127.39	127.39
Reserves & Surplus	1127.98	322.21	501.97

* The company has adopted IND AS from 1st April 2019 and comparative financial year figures presented accordingly.

Foreign Investments or collaborations, if any – There is no direct foreign investment in the Company except to the extent shares held by Foreign Portfolio Investors (FII) acquired through secondary market. There is no foreign collaboration in the Company.

i. Information about the Appointees

	Mr. Santosh Jayaram	Mr. Gourav Munjal
Background details	Given in the body of this statement	Given in the body of this statement
Past Remuneration (₹ in lakhs)	32.33	33.63
Recognition and Awards	-	-
Job profile and his suitability	He is the whole Time Director of the Company and devotes his whole attention to the management of the affairs of the company and exercises powers under supervision and superintendence of the Board of the Company	He is the whole Time Director and Chief Financial Officer of the Company and devotes his whole attention to the management of the affairs of the company and exercises powers under supervision and superintendence of the Board of the Company
Remuneration proposed	As mentioned in the resolution	As mentioned in the resolution
Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any	Apart from receiving managerial remuneration and options under ESOP Scheme of the Company, he does not have any other pecuniary relationship with the Company.	Apart from receiving managerial remuneration and options under ESOP Scheme of the Company, he does not have any other pecuniary relationship with the Company.

ii. Comparative remuneration profile with respect to industry, size of company, profile of the position and person

Taking into consideration the size and growth of the company, the profile of Mr. Santosh Jayaram and Mr. Gourav Munjal, the responsibilities shouldered on them and the industry benchmark, the proposed revised remuneration is reasonable, justified and commensurate with remuneration packages paid in the Comparable Companies.

II. Other information:

1. **Reasons of loss or inadequate profits:**

   Your company is a 4 year old start up in relation to the business of providing Financial Products through our online technology platform and our mobile applications. Initial phase of startup goes in creating scalable IT Infrastructure, spending on branding and marketing activities to attract more customers, build skilled manpower for carrying out business operations. All the above activity requires investment. The result of these investments is high growth of customer acquisition. Revenue from the newly acquired customers come subsequently but most of the cost incurred to onboard them is incurred before they are acquired. That's precisely the reason for your company posting operational loss for the FY 2019-20.

2. **Steps taken or proposed to be taken for improvement**

   Your company is taking efforts to improve efficiency and productivity which shall thereby help the company to turn into profits. Our rising customer base, continuous efforts on improving our product and experience and consistent improvement in call centre productivity has helped us bring down acquisition cost considerably. On technology side, our efforts to virtualize servers, Using Cloud Infrastructure helped us bring down the cost. We are also taking efforts in improving support staff efficiency by automating processes. All efforts are helping us grow the business and improve efficiency.

3. **Expected increase in productivity and profits in measurable terms:**

   It is difficult to forecast the productivity and profitability in measurable terms. However, the company expects the strong growth and the improved Financial performance in coming years.

I. Disclosures:

1. The remuneration package of all the managerial persons are given in the respective resolutions.
2. Additional information is given in Corporate Governance report.
3. The above explanatory statement (together with Annexure thereto) shall be construed to be memorandum setting out the terms of the appointment/re-appointment as specified under Section 190 of the Companies Act, 2013.

By Order of the Board of Directors

Namita Godbole
Company Secretary
ACS - 21056

Registered Office: IIFL House,
Sun Infotech Park, Road No. 16V,
Plot No. B-23, Thane Industrial
Area, Wagle estate, Thane -400604
CIN: L67190MH2007PLC289249
e-mail: csteam@5paisa.com
Telephone No. - 022-41035000

Dated: May 07, 2020
Place: Mumbai

ANNEXURE - 1

Directorship of Mr. Milin Mehta

a)	VA TECH WABAG Limited
b)	Shaily Engineering Plastics Limited
c)	Deepak Phenolics Limited
d)	Heubach Colour Private Limited
e)	Gujarat Life Sciences Private Limited
f)	Shiva Pharmachem Limited
g)	Technokraft Products Private Limited
h)	Rubamin Private Limited
i)	Vadodara Marathon

EXPANDING

Customers.

Opportunities.

Reach.

5paisa Capital Limited | 13th Annual Report 2019-20

The cover design has an arrow at the centre with connected human elements in outline form, depicting expansion mode of the Company with increasing number of customers across the country. The backdrop surrounding the arrow shows customers accessing the wide array of financial offerings through various platforms with ease and convenience. It also shows creative business icons connected through technology lines, emphasising adoption of latest technological tools in the fintech space.

ACROSS THE PAGES

CORPORATE OVERVIEW

STATUTORY REPORTS

FINANCIAL STATEMENTS

INVESTOR INFORMATION

MARKET CAPITALISATION AS AT MARCH 31, 2020

₹ **2.8** Bn

BSE CODE

540776

NSE SYMBOL

5PAISA

Disclaimer

This document contains statements about expected future events and financials 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.

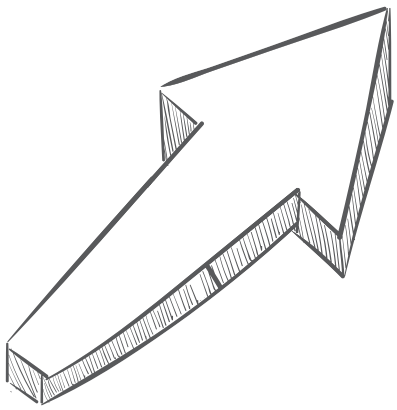
IN TODAY'S ERA, TECHNOLOGY IS THE PANACEA FOR MAKING FINANCIAL SERVICES SMARTER, FASTER AND MORE AGILE.

The exponential growth in the internet base is the fuel for a growing economy. Smartphones and other digital devices are creating new possibilities for the fintech domain. Today's engaged and digitally native customers expect digital financial services to be high performing and lightning fast.

Since inception, our customers have been the centre of our strategies. We, at 5paisa Capital, constantly strive to keep abreast with our customers' evolving investment needs. Our aim is to reach out to customers across the country through easy and accessible investment opportunities in the capital market.

Our comprehensive financial product plans cater the evolving needs of customers through diverse investment choices. Through innovative digital offerings and a robust DIY (Do-it-Yourself) automated platform, we have enhanced the trading journey of our customers. With intelligent Robo-advisory tool, we bring in expert perspectives that help investors achieve their goals. 5paisa is well positioned at the forefront of the entire fintech ecosystem through the best technology and efficient operations.

AS ONE OF THE FASTEST GROWING FINTECH PLAYERS IN THE FINANCIAL SERVICES INDUSTRY, WE SUCCESSFULLY ACHIEVED A MILESTONE BY SERVING MORE THAN 540,000 CUSTOMERS DURING THE YEAR. WE ARE EXPANDING RAPIDLY BY SCALING UP OUR BRAND PRESENCE AND DELIVERING DIFFERENTIATED VALUE TO OUR STAKEHOLDERS.



DELIVERING ACROSS ALL PARAMETERS

Massive customer acquisition

Achieved significant milestone in crossing customer base of 540,000, growth of 171% over the previous year

Easy product access

Launched comprehensive subscription plan for customers to access our entire product suite at a go

Higher revenue

Recorded 78% Y-o-Y increase in revenues with improved trading activity and higher cross selling of financial products

Enhanced market share

Sustained a 2.6% average daily cash market share and a 2.1% average daily total market share

Advanced digital edge

4,100,000 mobile app downloads till date with a sustained 4.2 star rating on Playstore

5PAISA CAPITAL LIMITED
INVESTMENT FOR EVERYONE

5paisa Capital Limited (5paisa) is a technology-driven financial services Company in India. Since inception in 2015, 5paisa has grown into a major fintech player, providing a wide range of financial products and services while catering retail and high volume traders. The comprehensive solutions include online discounted stock broking, depository services, research, distribution of financial products and peer-to-peer lending.

The Company is dedicatedly focused on fulfilling customer aspirations through innovative financial solutions, user-friendly digital trading platforms and mobile applications. Convenient and secure DIY business model plays a pivotal role in reducing service time and enhancing customer experience. In addition, the unique Robo-advisory tool facilitates systematic portfolio management across equity, mutual funds, insurance and currencies.

THE COMPANY IS CONSISTENTLY INVESTING TO BOLSTER ITS DIGITAL ASSETS, IMPROVE OPERATIONAL EFFICIENCY AND ENHANCE USER EXPERIENCE.

REVENUE FOR THE YEAR 2019-20

₹ 1,083 Mn

FLAT BROKERAGE FEE FOR ALL TRANSACTIONS

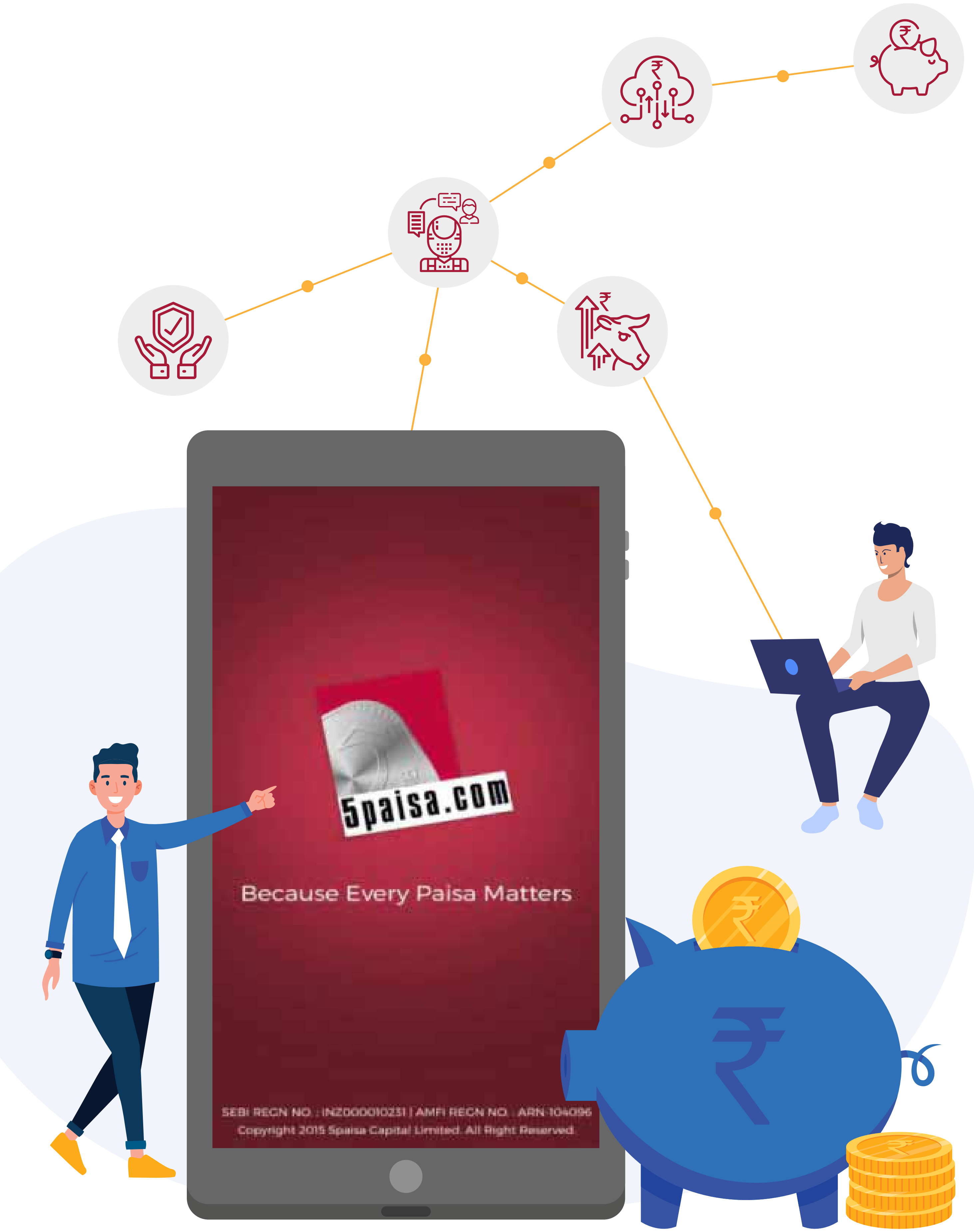
₹ 20

STRONG CUSTOMER BASE

540,000

MOBILE APP DOWNLOADS

4.1 Mn


5paisa.com
Because Every Paisa Matters
SEBI REGN NO. : INZ000010231 | AMFI REGN NO. : ARN-104096
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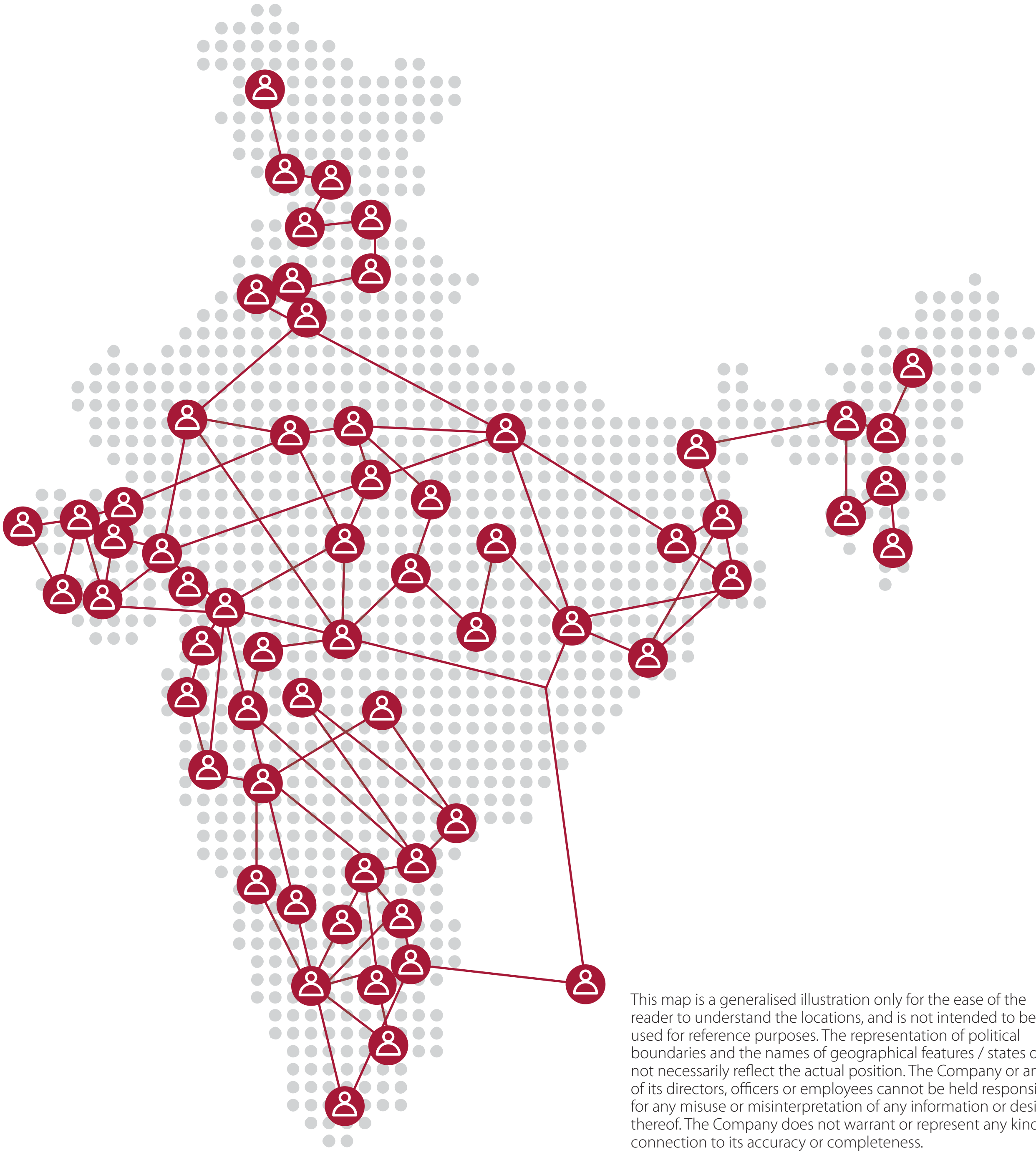
EXPANDING
CUSTOMER BASE

The key differentiator of our strategy is to develop and sustain relationships with our customers through multiple channels. We have successfully connected customers across the country by facilitating access to investment opportunities through digital presence.



This map is a generalised illustration only for the ease of the reader to understand the locations, and is not intended to be used for reference purposes. The representation of political boundaries and the names of geographical features / states do not necessarily reflect the actual position. The Company or any of its directors, officers or employees cannot be held responsible for any misuse or misinterpretation of any information or design thereof. The Company does not warrant or represent any kind in connection to its accuracy or completeness.

VALUE ENHANCING BUSINESS MODEL

KEY RESOURCES

Products

Our robust offerings include wide range of trading solutions and financial products under one umbrella

Technology

Our ability to stay innovative and develop digitised trading platforms that provide seamless experience to customers

Team

Our experienced workforce with diverse competencies to deliver the best of financial offerings and customer satisfaction

Governance framework

Our robust governance structure with ethical, transparent and effective risk control mechanism to ensure continuity of business operations

BUSINESS PROPOSITION

Product basket

Discounted broking services

Depository services

Research products

Distribution of financial products

Research-driven investment products

Swing Trader

Smart Investor

Smallcase

Sensibull

VALUE CREATED

- Quick access to DIY automated trading platforms
- Right investment advice through Robo-Advisory
- Secure and hassle-free transactions
- Increased market penetration through digital channels
- Swift customer acquisition through better investment choices
- Enhanced financial literacy through 5paisa School's education series
- Continuous development and career opportunities for employees
- Dedicated and engaged employees
- Responsible business operations with risk controlled processes

MESSAGE FROM THE CHAIRMAN

THE FINTECH MARKET IN INDIA IS AMONGST THE FASTEST GROWING IN THE WORLD, WITH THE HIGHEST ADOPTION RATE OF 87% VERSUS THE GLOBAL AVERAGE RATE OF 64%

Dear Shareholders,

Trust you all continue to be in good health and spirits. We live in unprecedented times and expect to continue witnessing change in all aspects of our lives. Despite these trying circumstances and an increasingly complex economic scenario, we are happy to state that your Company improved its scale and reach in the fintech space. The financial year 2019-20 registered a record customer acquisition and significant revenue growth of 78% for 5paisa Capital Limited.

The cumulative impact of global slowdown, rising trade barriers, oil crisis, geopolitical tensions, and of course the coronavirus (Covid-19) outbreak resulted in weakened economic activities. Closer home, India's growth engines: private consumption, private investment and exports, slowed down significantly due to tightening credit and poor customer sentiment. While, the Government's fiscal packages are expected to help economic recovery, uncertainty looms over the timeframe.

In all of this, one thing is quite clear, the playbook of how we live life is transforming rapidly. A few signs of these include the renewed level of innovations to incorporate numerous technologies that can today help us work or run our homes from wherever we are. Many of these trends are indicative of future adaptations and will also stay with us even after this storm has passed. In all of this, businesses that are already leaning towards technology should stay ahead and, in some cases, leap forward. Your Company is a case in point, where despite the lockdown, we have been able to provide services as well as witness surge in demand.

Let us observe how adoption of digital technology is strongly transforming the country. The Government through its 'Digital India' initiative is playing a vital role in making India a digitally-empowered and a knowledge economy. In a bid to ramp up the pace of the 'Digital India' initiative, the Government has increased the outlay for the programme by 23% for the year 2020-21. India's internet user base has grown rapidly in recent years, propelled by the decreasing cost, increasing availability of smartphones and high-speed internet connectivity. From internet connections to app downloads, the digital Indian economy is witnessing higher volumes across urban and rural region. The increased digital penetration has led to a rise in the number of internet users in India to 687.62 million in 2019 and is expected to rise to 900 million by 2023.

The dynamic payments ecosystem is also expanding with a robust growth in digital payments channels. The Government has been facilitating adoption of cashless payment systems such as digital wallets, internet banking, credit and debit cards. Rising population, dependence on e-commerce, growing data availability and the use of biometrics have increased the scope of digital payments in the country. In addition, due to the Coronavirus pandemic, the Government and the RBI have urged people to utilise digital payments more. As a result, there has been a spur in the digital modes of payments.

The Indian fintech market is amongst the fastest growing in the world, with the highest adoption rate of 87% versus the global average rate of 64%. From wallets to lending to discount broking, fintech firms have redefined the way businesses function. With cutting-edge technology platforms and capital market opportunities, discount broking firms are rapidly capturing market share in terms of volume and customer count. The overall transaction value of the Indian fintech market is projected to rise from approximately USD 65 billion in 2019 to USD 140 billion in 2023.

At 5paisa, our customers are at the heart of everything we do. We are committed to continuously upgrade and enhance our product portfolio in alignment with the constantly evolving needs of our customers. In the process of doing so, we provide them secure, convenient and hassle-free experience on various platforms. The tremendous growth in our customer acquisition is a testimony to our efforts.

We believe that technology is an important growth driver of all our future strategies. Our robust technology architecture with a DIY model and the Robo-advisory allows customers to carry out transactions through any channel, at any given time and place. Our mobile application is steadily strengthening in terms of reach and value. As one of the leading players in the fintech space, we will continue to invest in technology and enhance overall customer experience.

At 5paisa, good corporate governance has always been by choice rather than by rule. Our focus for effective corporate governance is marked by transparent processes and ethical values. A strong governance is the foundation for establishing trust and promoting engagement between the Company and its stakeholders.

Looking forward, we aim to be a one-stop investment platform for our customers with technology-led quality solutions and deeper reach across the country. Finally, I would like to thank my fellow Board members for their valuable contribution and the stakeholders for their continuous support in our vision.

Yours sincerely,

Dr. Archana Hingorani

Chairman

EXPANDING CUSTOMERS. OPPORTUNITIES. REACH.

WE HAVE NOW COMPLETED 4 YEARS OF OUR COMMERCIAL OPERATIONS AND I AM EXCITED TO SHARE THAT 5PAISA CAPITAL IS AMONGST THE COUNTRY'S TOP 10 BROKERS TODAY

Dear Shareholders,

With consistent execution of our thoughtful strategies, we steadily expanded our scale, strength and reach throughout the financial year 2019-20. Despite external challenges, our performance attests the Company's reinforced stature as one of the most trusted discount broking firms in the fintech space. We continued to create meaningful value in our customers' lives by connecting them to accessible digital investment solutions.

We have now completed 4 years of our commercial operations and I am excited to share that 5paisa Capital is now amongst the top 3 brokers in discount broking space and top 10 brokers of the country on an overall basis.

Our economy faced various headwinds during the year such as tighter liquidity conditions, slowdown in consumer demand as well as the relentless Covid-19 pandemic. As I write this, the world is on the cusp of one of the worst recessions in the last 100 years. There is uncertainty around economic recovery and it will take the better part of the year for the world to return to normalcy. I am however, optimistic on our growth potential. For every industry there comes a point of influx where everything turns in its favour; the heightened activity we witnessed during the period of lockdown – in terms of inflow of new customers, adoption of mobile app-based trading and investments being made despite volatile market conditions, are strong indicators of things changing for the better and bodes well for our future.

Our Performance

Amidst the challenging industry environment, FY 2019-20 has been another year of focused execution for us wherein we performed well on most of the parameters.

I am pleased to report that during the year, we posted revenue of ₹ 1,083 million, a robust 78% Y-o-Y growth. In the 4th quarter, despite being one of the toughest quarters, we reported revenue of ₹353 million, a growth of 32% Q-o-Q and 69% Y-o-Y. Since inception, we were always conscious about our spends and never went overboard with unnecessary expenditure. This has resulted in us, for the 1st time, reporting operating profit of ₹93 million for FY 20. For full year, our losses have reduced to just ₹79 million, a 58% Y-o-Y reduction.

FY 20 was not just a year for achieving business milestones like crossing 500,000 customers and 2%+ market share, but also for financial milestones of raising ₹1.03 Billion capital from our maiden Rights Issue. Our Rights Issue, which concluded in August, was oversubscribed by 111%. This reassures us of the faith that our shareholders have in us. The much required capital will help for our next round of robust and profitable growth.

Customer Acquisition: The Driving Force

Customers have always been at the heart of our business. We provide best-in-class trading experience through our state-of-the-art technological platforms. In the last 4 years, we have added about 500,000 customers on the back of affordable digital offerings, rising mobile penetration and more number of millennial investors from small cities.

Our strong brand presence, positive word of mouth from existing customers and efficient sales management has led to a record 220,000 customer addition during the year, a Y-o-Y growth of 171%. This phenomenal growth is despite marketing cost rising just 20% Y-o-Y. Our acquisition numbers have also shown sequential growth in every quarter of this year.

Customer Education

As we attract lot of young first-time investors, educating them towards capital market is integral responsibility of 5paisa. We, through our YouTube channel, constantly engage with our customers and people at large in various areas of investing. I am happy to report that our YouTube channel has now more than 100,000 subscribers, one of the highest for any broking house in the country. We get almost 4 million monthly views on our channel.

New Business Lines

5paisa is not just a discount broker but a Digital Financial Service provider. Our philosophy is to provide all financial products which can be served end-to-end digitally. Apart from equities, commodity, currency and mutual funds, we have also been distributing Digital Gold, Personal Loans, Research and Insurance products. I am very happy to announce the launch of a new line of business for 5paisa i.e. peer-to-peer lending via our website www.5paisaloans.com and mobile app '5Paisa Loans'. Though still at a nascent stage in India, I believe peer-to-peer lending has tremendous potential to grow.

Digital Excellence

The pace of technological change continues to accelerate, influencing the behaviours of our customers and redefining our processes. Customers expect more intuitive, seamless and secure trading experiences across the digital channels. As a part of our innovation strategy, we invest significantly in our digital stock trading platforms to deliver more insights for our customers. In the process of doing so, we have launched various automation tools such as Robo-advisory and Portfolio Analyser. 5paisa is the first Indian broker to offer this product based on an in-house proprietary technology with analytics. This tool provides an in-depth analysis of investment portfolio beyond just profit and loss.

Additionally, our 360° communication across multiple digital and social media platforms enable us to create impactful brand awareness. Our mobile app enables the customers to open accounts instantly and carry out transactions with ease, speed and security. With 4.1 million downloads during the year, the mobile app sustained a rating of 4.2 stars on PlayStore.

In conclusion, we, at 5paisa, are extremely optimistic about growth in the coming years. With almost 2 million demat accounts opening across industry when markets and economy is down, shows that young millennials are choosing equity as their preferred choice of investment. This is a healthy trend and will continue in coming quarters leading to steep customer acquisition.

I would like to thank our Board for their invaluable guidance, our shareholders, customers, bankers and regulators for their constant support, and our employees for their loyalty and commitment towards the organisational goals.

Yours sincerely,

Prakarsh Gagdani

Whole-Time Director and CEO

LEADING THROUGH UNMATCHED CUSTOMER FOCUS

In an increasingly digitised and competitive operating landscape, 5paisa's business model with end-to-end digital processes, broad spectrum of offerings and a deep understanding of customer needs has proved to be winner.

Our differentiated offerings backed by strong market acumen, best-in-class digital tools and robust operational efficiencies led to accelerated customer acquisition during the year. We have reached to over 540,000 customers across India, enriching their lives through our products and services.

OUR ENDEAVOURS HAVE MADE INVESTING ACCESSIBLE, UNDERSTANDABLE, AND VALUABLE FOR EVERYONE ACROSS THE LENGTH AND BREADTH OF THE COUNTRY.

CUSTOMER BASE GROWTH IN 2019-20

171%

NEW CUSTOMERS FROM TIER II/III CITIES

81%

A CUSTOMISED SUBSCRIPTION PLAN TO HELP CUSTOMERS BECOME MINDFUL TRADERS

The trust and confidence of our customers remain our strongest anchor, encouraging us to consistently improve our products and service propositions. During the year, we launched a subscription plan that strongly aids us to holistically serve our customers for their trading and investment needs.

The year witnessed launch of a power packed subscription product that provides users unique features and benefits worth more than ₹ 30,000 a year at just ₹ 499 and ₹ 999 per month. The plans offers discounted pricing in brokerage and demat charges. It allows a user to get the best quality research tools and expert advice for near and long term trades. The smooth journey and seamless payment experience in these plans have made it an instant success.

5paisa users can access a range of cross sell products which includes Mutual Funds, Digital Gold, Personal Loans, Health Insurance and Term Insurance, among others. Great response from app users for new products, and enhanced experience of the investment journey in existing products have strengthened the number of products per customer on the platform.

WHAT SETS US APART?

- Bouquet of investment solutions under the same roof
- Easy access through digital platforms
- 3-steps instant account opening process
- Discounted flat fee at ₹ 20 per transaction
- Unmatched customer experience
- Complete paperless and hassle-free procedures
- Deep know-how and research expertise

SCALING UP THROUGH OUR DIGITAL PROWESS

Today, the financial sector is witnessing an accelerated pace of innovation and technology adoption. With an unwavering drive to do things better, we, at 5paisa live and breathe technology. We enrich customer experience through a spread of digital trading platforms and mobile application. These help enhance operational efficiency and facilitate customer interface at every step. Our highly skilled team also ensures that the entire trading process remains convenient, faster and trustworthy for our customers.

OUR DIGITAL TRADING-EDGE

Seamless and faster trading processes

Paperless eKYC with instant three step account opening procedure

Automated Robo-advisory service

Applies artificial intelligence to create predictive investment recommendations

Technologically advanced trading platforms

Mobile trading app, trade station web and trade station EXE to meet the evolving trading needs

Cutting-edge Algo trading platform

Facilitates automated trading decision using advanced Algo tools

Delightful customer experience

Interactive on-boarding and trade execution process

THE COMPANY LAUNCHED SEVERAL TOOLS FOR THE INVESTORS TO PROVIDE A SUPERIOR EXPERIENCE WHILE BUILDING A STRONG PORTFOLIO.

Improvement in payments experience has been a focus area. Experiences like paying via UPI and Google pay have seen a drastic improvement in success rates of funds transfer by customers to trade. UPI has been a fast-growing medium of payment and its adoption has surpassed that of Net banking, NEFT, IMPS and RTGS transactions. Powering recurring payments through credit cards and eNACH has also enabled us to build a strong base of subscription customers.

With rapid growth and scale comes an impending need to prepare our servers and infrastructure and a need for strong security measures to protect our systems and customer data. We have spent a considerable amount of time and effort in building our applications in the past year, by moving several processes to the cloud to support and almost automatic scaling to ensure high uptime for our customers. We have also laid down several processes and coding standards to ensure that our applications are secure and robust.

INTRODUCING PORTFOLIO ANALYSER

During the year, the Company introduced the innovative Portfolio Analyser tool that enables the customers to analyse their investment portfolio beyond simple profit and loss. The portfolio analyser is a one-of-its-kind tool that empowers an individual to track the performance of the portfolio and compare it with the benchmark. It uses the concept of an NAV similar to how mutual fund performances are tracked. This tool also enables the user to see the concentration of their portfolio across sectors and allows them to analyse every buy and sell decision to check its success.

Key features

- Calculates the true market value of the portfolio for any given period
- Evaluates the quality of all the stocks with durability, valuation, momentum score
- Supports making right decisions at the right time for a healthy portfolio
- Helps investors maintain a diversified portfolio
- Gives a better idea of the portfolio performance for any given time period
- Identifies growth and valuation trends overtime

INVESTING IN OUR EMPLOYEES

At 5paisa, we believe that people make an organisation by immensely contributing to the growth story of a company. We pride ourselves on being an organisation with the right blend of expertise, skills and experienced workforce. As a responsible organisation, we foster a work ecosystem that enables our people to perform to the best of their abilities. With best-in-class training modules, learning workshops along with rewards and recognition programmes, we consistently strive to motivate our people.

Employee engagement initiatives

We empower our people to grow with us. Throughout the year, we engaged with them through various initiatives, including townhall meetings, recognition programmes, and festival celebrations, among others. These platforms allow us to connect with our people better. Some of our key employee engagement activities include:

Foundation Day

We organised 4th Foundation Day of 5Paisa Capital on March 13, 2020, to acknowledge and reward the employees for their contribution towards the Company. On this occasion, we organised a tree plantation drive for better environmental and social benefits. It gave us a simple reminder to keep looking up but always remember the importance of roots.

International Women's Day

Financial planning workshops were conducted for women employees across all locations of 5Paisa.

Sports Tournament

Employees at 5paisa enthusiastically participated in the Annual Cricket tournament.

Children's Day 2019

We celebrated Children's Day by hosting our employees' young ones at our office, which brought a lot of joy and enthusiasm to the teams.

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LEVERAGING THE DIGITAL POWER TO EXPAND AND EDUCATE

Widening reach through social media

The fintech sector is experiencing unprecedented pace of internet penetration with rising availability of smart devices. With easy access to data, people across semiurban and rural areas are also exposed to digital channels. As a consequence, social media has become a crucial medium for organisations to increase brand communication, enhancing customer outreach and acquiring new customers. From creating product awareness to business development, social media tools have emerged as useful platforms for us to connect, engage and empower customers across the country.

WE LEVERAGE THIS CHANNEL AS A TWO-WAY COMMUNICATION VEHICLE FOR LISTENING TO THE CUSTOMERS AND GAINING INSIGHTS, WITH THE GOAL OF FULFILLING THEIR DYNAMIC INVESTMENT NEEDS.

https://www.youtube.com/5paisa
Subscribers: 109,541
Video views: 105.9 Mn

https://www.facebook.com/5paisa
Followers: 310,921
Likes: 308,627

https://www.linkedin.com/company/5paisa
Followers: 4,857

https://twitter.com/5paisa
Followers: 80,878
Tweets: 3,571

https://www.quora.com/profile/5paisa-Capital-Limited-1
Followers: 1,585
Ans views: 7.3 Million content views

https://www.instagram.com/5paisa/?hl=en
Followers: 5,079

Creating financial literacy though digital channels

Our team of experts at 5paisa School have developed financial education content in the form of learning modules, online videos and knowledge series. The education series has been designed with clear achievable objectives of people taking more control over their investment portfolio. It serves as a toolkit, equipping users with valuable information empowering them to be confident and informed.

Knowledge is power!

Our stock market curriculum covers various topics related to financial market such as:

- **Equity Market**
- **Technical Analysis**
- **Mutual Funds**
- **Derivatives**
- **Taxation**
- **Commodities**
- **Currency**

MONTHLY ONLINE VIEWS FOR EDUCATIONAL VIDEOS

4.5 Mn

AWARDS & RECOGNITION

Our trading platforms and advanced digital tools continue to earn awards, year after year.

- Digital Start-up of the Year', 'Best Trading App' and 'Best Mobile Marketing Campaign' at the Mobby's Awards 2019, which recognises achievements of brands across all aspects of the mobile landscape
- 'Brand Excellence in Broking Industry' and 'Marketing Campaign of the Year' at the World Marketing Congress 2019, which recognises the work done by the marketing fraternity to take their brands to a whole new level
- 'Best Broking Fintech Product' for 5paisa Mobile app by ABP News at the BFSI Awards 2019, which focuses on the best practices of the BFSI industry
- Mr. Prakarsh Gagdani, CEO, 5paisa, won 'Digital Pioneer Award' by ABP News at the BFSI Awards, 2019
- 'Franchisor of the Year- Financial Services' at the Franchise India Awards, 2019
- Mr. Prakarsh Gagdani recognised as the 'Fintech Leader of the Year' by ABP News at the Brand Excellence Awards, 2019
- 'Brand Excellence Award' in the Broking Industry by ABP News at the Brand Excellence Awards, 2019
- Mr. Prakarsh Gagdani, CEO, 5paisa recognised as the 'Business Leader of the Year' at Business Leader of the Year Awards 2020 by ET Now
- 'The Emerging Company of the Year' in BFSI sector at Business Leader of the Year Awards 2020 by ET Now


5paisa Capital Ltd.
recognized as
Digital Start-up of the Year
5paisa.com


Humbled and Honoured
Digital Start-up of the Year
Best Trading App
Best Mobile Marketing Campaign
5paisa.com


5paisa Capital Ltd. bags award for
Brand Excellence
in Broking Industry
5paisa.com

BOARD OF
DIRECTORS

1 Dr. Archana Niranjan Hingorani

Independent Director

Dr. Archana Niranjan Hingorani is an Independent Director of our Company. She holds a MBA and Ph.D. in finance from the University of Pittsburgh, United States. She has over thirty (30) years' experience in the asset management business, teaching and research. In the recent past, she was associated with IL&FS Group until 2017 in various capacities, including being the CEO of IL&FS Investment Managers Limited. She has rich experience in fund raising, investing, nurturing investments through four different economic cycles and carving exit paths, among others. She has also been involved in mentoring and nurturing smaller start-ups in the technology, education, financial inclusion and encouraging start-ups run by women entrepreneurs.

She has been named as the most influential woman in India by various publications, including Business Today in the year 2011, 2012 and 2013, Asian Investor in the year 2014, and Fortune India in year 2014, 2015 and 2016.

2 Ms. Nirali Sanghi

Independent Director

Ms. Nirali Sanghi is an Independent Director of our Company. She founded India Parenting Private Limited in 1999 and serves as its Chief Executive Officer and President. Prior to that, she served at Erstwhile Baring Brothers (New York), Citibank (New York and Mumbai) and The Boston Consulting Group (Mumbai). Ms. Sanghi spent nine (9) years in the United States where she received her Bachelors 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).

3 Mr. Milin Mehta

Additional Non-Executive and Independent Director

Mr. Milin Mehta, is a Chartered Accountant and is a senior partner of K. C. Mehta & Co. Chartered Accountants (Baroda, Mumbai, Ahmedabad and Banglore), 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. 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.

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.

4 **Mr. Santosh Jayaram**

Whole Time Director

Mr. Santosh Jayaram is a Whole Time Director of the Company. He holds Bachelors in Technology degree and a Masters in Business Administration from NMIMS University, Mumbai. He has been associated with 5paisa Capital Limited and IIFL Group since May 2011. He has experience in areas of business process re-engineering, digitisation, product development, mobile application development and user experience management.

5 **Mr. Prakarsh Gagdani**

Whole Time Director & Chief Executive Officer

Mr. Prakarsh Gagdani is a Whole Time Director and Chief Executive Officer of the Company. He holds a Post Graduate Diploma Degree in Business Management from Pondicherry University and has done his Bachelors in Business Management from Mulund College of Commerce, Mumbai University. He has more than Seventeen (17) years of cross functional experience in sales, advisory, product development and business development. In the past, he was associated with Angel Broking Limited for about twelve (12) years.

6 **Mr. Gourav Munjal**

Whole Time Director & Chief Financial Officer

Mr. Gourav Munjal is an Executive Director and is the Chief Financial Officer of the Company since January 16, 2019. He holds a bachelor's degree in Commerce from Kurukshetra University and is a qualified Chartered Accountant, Company Secretary and diploma holder in IFRS from the Association of Chartered Certified Accountants (ACCA). He has 9 years of experience in the field of accounts and finance. Before joining the Company, he was associated with IIFL Group and has handled finance and accounts functions in the Company.

Directors' Report

Dear Members,

Your Directors present the Thirteenth Annual Report of 5paisa Capital Limited ('your Company') along with the Audited Financial Statements for the financial year ended March 31, 2020. The consolidated performance of the Company and its subsidiaries has been referred to wherever required.

1. FINANCIAL RESULTS

A summary of the Consolidated and Standalone financial performance of your Company, for the financial year ended March 31, 2020, is as under:

(₹ in Million)

Particulars	Consolidated Financial Results		Standalone Financial Results	
	2019-2020	2018-2019	2019-2020	2018-2019
Gross total income	1082.76	607.94	1081.36	606.76
Profit/(Loss) before interest, depreciation and taxation	93.04	(170.38)	93.55	(170.07)
Interest and financial charges	151.13	68.27	151.51	68.27
Depreciation	38.41	14.43	38.41	14.43
Profit/(Loss) before tax	**(96.5)**	**(253.08)**	**(96.37)**	**(252.77)**
Taxation - Current	-	-	-	-
- Deferred	(17.54)	(63.55)	(17.42)	(63.55)
- Short or excess provision for income tax	-	-	-	-
Net profit/ (Loss) for the year	**(78.96)**	**(189.53)**	**(78.95)**	**(189.22)**
Less: Appropriations	-	-	-	-
Add: Balance brought forward from the previous year	(561.19)	(371.66)	(560.88)	(371.66)
Balance to be carried forward	(640.15)	(561.19)	(639.83)	(560.88)

* Previous periods figures have been regrouped / rearranged wherever necessary

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

2. COVID -19

During the last month of FY 2020, the COVID-19 pandemic developed rapidly globally thereby forcing the government to enforce complete lock-down since March 24, 2020, of almost all economic activities except essential services which were allowed to operate with limited staff strength. As capital markets and banking services were declared as essential services, your Company continued its operations by strictly adhering to the minimal staff strength requirement and maintaining social distancing and other precautions as per the Government directions. In order to ensure health and well being of the employees, all the other employees were encouraged to work from home and were provided necessary infrastructure to ensure efficient functioning. All operations and servicing of clients were smoothly ensured without any interruptions as the activities of trading, settlement, Stock Exchanges and depository functions are fully-automated and seamless. Based on the facts and available figures, the Company has been operating in the normal course and there have been no adverse impact on the liquidity, revenues or operational parameters during the quarter and year ended March 31, 2020.

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

At 5paisa.com, we have built a sustainable foundation to accelerate our growth. Our customer-centric products; transparency in operations; relentless focus on customer convenience; and investment in technology has helped us build a family of 540,000 happy customers in just 4 full years of our operations.

Your Company performed well during FY2020, by leveraging on the market opportunities bought by the growing trend of financialisation of savings and delivering quality service to attract new customers. With an unwavering resolve to provide best-in-class investment platform at the lowest cost, we delivered strong growth across parameters over the previous year.

Our customer base grew 171% in the last fiscal and our broking revenues recorded 78% growth and continues to be on rise. During the year, the total income of your Company was up from ₹ 606.76 million to ₹ 1081.36 million. Your Company reported an average annual daily turnover of ₹ 30,150 crore and its market share further improved.

During the year, we focused on harnessing technology to fortify our business processes, ensure deeper market coverage and deliver a superior customer experience. As a result, your Company emerged as a strong player in the discount broking space offering superior products and services. Your Company also climbed to the No. 2 position in the discount broking segment, surpassing several established players.

Our growth was also fueled by the growing penetration of internet and smartphone in our country. Positive demographics have helped bring millions to explore digital investment services in financial space. Your Company successfully capitalised on the opportunity by offering an integrated investment platform. Today, your Company's mobile application/web platform can help an individual trade across equity, F&O, commodity, currency segments; invest in mutual fund and insurance; or avail algorithm based robo advisory services.

Looking forward, there is an enormous opportunity for growth as capital market participation still remains abysmally low in India when compared to the other developed nations. Owing to the huge growth prospects, your Company envisages a robust growth in its customer base in the years to come. Moreover, by offering seamless trading at the lowest cost, we are confident of widening reach across the country. Our robust internal risk-management systems and processes, supported by technology, will also fuel our growth journey.

4. MACRO-ECONOMIC OVERVIEW

Though the Indian economic growth has been faster than the world economy, it remained subdued as compared to previous years in FY2020. The slowdown in the first 11 months of fiscal 2020 was mainly on account of the slump in the auto sector, contraction in capital goods output and slowdown in investment cycle. On the expenditure side, public expenditure remained moderately high whereas private expenditure was low as compared to the previous financial years. Almost all the major economies of the world have gone through some form of lockdown or social distancing. The lockdown in India is set to severely impair the economy in the fourth quarter of fiscal 2020 and continue till the first half of fiscal year 2021. The estimated GDP growth for Indian economy for FY2020 is expected to be 4.9% (Source: Fitch).

The shape of the post-pandemic recovery curve depends upon the length of time for which economic activity is subdued, and damage caused by it. The growth is expected to be affected in the first half of fiscal 2021, and thereafter to pick up pace in the second half. According to Fitch, India's GDP is expected to grow by 0.8% in FY2021. This reduced growth is mainly on account of reduced consumer spending and contraction in investments.

5. INDUSTRY OVERVIEW

The Indian financial services industry is vast and diverse consisting of banks, NBFCs, capital markets, insurance sector and the new payment banks. India's gross national savings (GDS) as a percentage of Gross Domestic Product (GDP) stood at 30.5% in 2019. With increasing finance penetration, the opportunity in India is very high especially in the rural areas for moving from physical savings to financial savings. With increasing internet penetration and financial literacy, the future growth prospects of financial service industry in India is very bright.

6. KEY INITIATIVES / DEVELOPMENTS

Investment Advisory Services:

During the year under review, your Company received registration as an Investment Advisor under SEBI (Investment Adviser) Regulations, 2013 and Rules made thereunder and shortly the Company will commence its Investment Advisory activities for its clients.

7. DIVIDEND

In view of accumulated losses, your Directors have not recommended any dividend on Equity Shares for the year under review.

During FY 2019-20, the company had not transferred any shares to Investor Education and protection Fund ('IEPF').

As on the March 31, 2020, ₹ 177,764.94/- is lying as the unclaimed fractional entitlements in the unpaid fractional shares account.

8. AWARDS AND RECOGNITIONS:

During the year under review, your Company received numerous awards and accolades which were conferred by reputable organisations and is designed to honour the efforts made by the companies and the details of the same are given herein below:

- Brand Excellence Award in the Broking Industry by ABP News
- Best Digital Start-up of the Year by Mobby's Awards
- Best Trading App (5paisa Mobile App) by Mobby's Awards
- Best Mobile Marketing Campaign by Mobby's Awards
- Digital Pioneer Award (BFSI Sector) by ABP News
- Best Broking Fintech Product (5paisa Mobile App) BFSI Sector by ABP News
- Marketing Campaign of the Year (Karo Self Investment Start) by World Marketing Congress
- Award for Brand Excellence by World Marketing Congress
- Emerging Company of the year by ET Now
- Fintech Leader of the year (Mr. Prakarsh Gagdani – CEO) by ABP News
- Business Leader of the year (Mr. Prakarsh Gagdani – CEO) by ET Now

9. SHARE CAPITAL

The paid up equity share capital of the Company as on March 31, 2020 was ₹ 254,776,680/- (254,776,68 equity shares of ₹ 10/- each) pursuant to issue of 12,739,022 equity shares of ₹ 10 each by the way of Rights Issue. The details of Rights Issue are as provided below.

10. RIGHTS ISSUE

During the year under review, the Board at its meeting held on July 17, 2018, September 12, 2018 and July 16, 2019 had authorized the rights issue of shares pursuant to Section 62 of Companies Act, 2013. The record date for Rights issue was May 29, 2019. The said rights issue had opened on July 23, 2019 and closed on August 06, 2019. The Rights Issue Committee approved the allotment of 12,738,646 equity shares on August 20, 2019 and the shares were credited to the respective demat accounts on August 21, 2019.

The Rights entitlement on 376 equity shares have been kept in abeyance.

Post rights issue, the paid up share capital of the Company is ₹ 254,776,680 i.e. 25,477,668 equity shares of ₹ 10 each.

11. EMPLOYEES STOCK OPTION SCHEMES (ESOS)

The Company has in force the following Schemes which are prepared as per the provisions of SEBI (Share Based Employee Benefits) Regulations, 2014:

1) 5paisa Capital Limited Employee Stock Option Scheme 2017 ("**5PCL ESOS 2017**")

2) 5paisa Capital Limited Employee Stock Option Trust Scheme 2017 ("**5PCL ESOTS 2017**")

During the financial year 2019-20, two options, details of which are provided below were approved for grant under 5PCL ESOS 2017. The Nomination and Remuneration Committee granted 1,00,000 options on April 18, 2019 and 1,00,000 options on December 31, 2019 to the eligible employees of the Company under 5paisa Capital Limited Employee Stock Option Scheme 2017 **("5PCL ESOS 2017").**

Pursuant to Corporate Action in the form of Rights Issue which was undertaken by the Company in September, 2019 and as per the terms and conditions specified in the Letter of Offer issued for the purpose of Rights Issue, the existing option holders as on record date were eligible for additional options in the ratio of 1:1. Particulars of options granted by the Company upto March 31, 2020 are given under:

Particulars	5paisa Employee Stock Option Scheme 2017
Options granted till March 31, 2020	7,20,000
Options forfeited/lapsed	48,000
Options vested but not exercised	60,000
Options exercised	Nil
Options Not vested	60,000
Total number of options outstanding	6,72,000
Number of shares allotted pursuant to exercise of options	Nil
Extinguishment of options	Nil
Amount realised by exercise of options (₹ million)	Nil

There is no material change in Employees' Stock Option Scheme during the year under review and the Scheme is in line with the SEBI (Share Based Employee Benefits) Regulations, 2014 ("SBEB Regulations"). The Company has received a certificate from the Auditors of the Company that the Scheme has been implemented in accordance with the SBEB Regulations and the resolution passed by the members. The certificate would be placed at the Annual General Meeting for inspection by members. The disclosures relating to ESOPs required to be made under the provisions of the Companies Act, 2013 and the rules made thereunder and the SEBI (Share Based Employee Benefits) Regulations, 2014 are provided on the website at https://www.5paisa.com/investor-relations and the same is available for inspection by members at the Registered Office of the Company. If any member is interested in obtaining a copy thereof, such member may write to the Company Secretary, whereupon a copy would be sent over an email.

12. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Disclosure on details of loans, guarantees and investments pursuant to the provisions of Section 186 of the Companies Act, 2013 and LODR Regulations, are provided in the financial statements.

13. DEPOSITS

The Company did not accept/renew any deposits within the meaning of Section 73 of the Companies Act, 2013 and the rules made thereunder and as such, no amount of principal or interest was outstanding as on the Balance Sheet date.

14. SUBSIDIARY COMPANIES

- **5paisa P2P Limited**

  During the year under review, the Company received Certificate of Registration from Reserve Bank of India ("RBI") bearing registration number N-13.02371 to act as NBFC P2P and accordingly the company is now eligible to commence its Peer-to-Peer Lending Platform. The Company is likely to commence its P2P business shortly after the necessary infrastructure and platform is ready.

- **5paisa Insurance Brokers Limited**

  During the year under review, the Company has applied for registration as an Insurance Broker with Insurance Regulatory and Development Authority (IRDA). On receipt of the approval, 5paisa Insurance Brokers Limited will commence its insurance broking operations.

- **5paisa Trading Limited**

  During the year under review, the Company also incorporated a subsidiary, named 5paisa Trading Limited, on February 27, 2020.

15. CONSOLIDATED FINANCIAL STATEMENTS

As per the provisions of Section 134 and 136 of the Companies Act, 2013 read with applicable Rules, Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and applicable Accounting Standards, the Board of Directors, had in their meeting held on May 07, 2020 approved the Consolidated Financials of the Company along with the Standalone Financial Statements. Copies of the Balance Sheet, Statement of Profit and Loss, Report of the Board of Directors and Report of the Auditors of the subsidiary company are not attached to the accounts of the Company for the financial year 2019-20. The Company will make these documents/details available upon request by any member of the Company. These documents/details will also be available for inspection by any member of the 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 copy would be sent over an email. The Annual Report of subsidiaries is uploaded on the website of the Company 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, the 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",** which forms part of this Report.

The policy on determining the material subsidiary is available on the website of the Company at https://www.5paisa.com/investor-relations. All the subsidiaries as on March 31, 2020, are yet to start the operations and hence they are not material subsidiaries as per the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

16. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

In accordance with Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Management Discussion and Analysis Report forms part of this Annual Report.

17. DIRECTORS AND KEY MANAGERIAL PERSONNEL

a. Directors:

As on date of this report, the Board comprises of Mr. Prakarsh Gagdani (DIN: 07376258), Mr. Gourav Munjal (DIN: 06360031) and Mr. Santosh Jayaram (DIN: 07955607) as the Whole Time Directors and Dr. Archana Niranjan Hingorani (DIN: 00028037) and Ms. Nirali Sanghi (DIN: 00319389) as the Non – Executive Independent Directors of the Company. Mr. Milin Mehta (DIN:01297508) was appointed as Additional Non-Executive and Independent Director w.e.f. April 01, 2020, subject to the approval of Shareholders at ensuing Annual General Meeting.

➢ **Change in Directors:**

Appointment

Pursuant to amendments in SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, the Company is required to have at least six directors on the Board of the Company. In accordance with same, Mr. Gourav Munjal was appointed as an Additional Whole Time director on the Board to comply with the amended regulations. Approval of members by special resolution for appointing Mr. Gourav Munjal as Whole Time Director has been sought in the Notice convening the Annual General Meeting of the Company. (Please refer to item No. 5 of the Notice).

Further, Mr. Milin Mehta (DIN: 01297508) was appointed as an Additional Non-Executive and Independent Director w.e.f. April 01, 2020.

Approval of members by ordinary resolution for appointing Mr. Milin Mehta as an Independent Director has been sought in the Notice convening the Annual General Meeting of the Company. (Please refer to item No. 6 of the Notice).

Resignation

Mr. Sarbeswar Lenka has ceased to be Non-Executive Director on the Board of 5paisa Capital Limited. His resignation is effective from close of working hours of March 31, 2020. The Directors of the Company place on record their sincere appreciation for the valuable contribution by Mr. Sarbeswar Lenka during their tenure as Directors of the Company.

Retirement by Rotation

In accordance with Section 152 of the Companies Act, 2013 ("Act") read with Article 157 of the Articles of Association of the Company, Mr. Prakarsh Gagdani (DIN: 07376258) is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for reappointment. The Board recommends the same for the approval of Shareholders.

A proposal seeking Shareholders' approval for his appointment forms a part of the Notice of the ensuing AGM.

Re-appointment

Mr. Santosh Jayaram was appointed as Whole Time Director of the Company at the Annual General Meeting of the members of the Company held on January 11, 2018, for a period of 3 years ending on January 10, 2021. As part of the initiative to create enduring guidance for the Company, the management had proposed the re-appointment of Mr. Santosh Jayaram as Whole Time Director for a period of 3 years commencing January 11, 2021 on the terms and conditions and remuneration as approved by the Board, subject to approval of Shareholders at ensuing Annual General Meeting.

b. Key Managerial Personnel:

Pursuant to the provisions of Section 203 of the Companies Act, 2013 and rules made thereunder, the Key Managerial Personnel of the Company as on March 31, 2020 are: Mr. Prakarsh Gagdani - Whole Time Director & Chief Executive Director, Mr. Santosh Jayaram - Whole Time Director, Mr. Gourav Munjal – Whole Time Director and Chief Financial Officer and Ms. Namita Godbole – Company Secretary & Compliance Officer.

During the year under review, Ms. Namita Godbole was appointed as a Company Secretary in place of Mr. Roshan Dave w.e.f. December 01, 2019.

These changes in the Key Managerial Personnel were due to internal re-structuring.

The Remuneration and other details of the Key Managerial Personnel for the year ended March 31, 2020 are mentioned in the Extract to the Annual Return in Form MGT-9 which is attached as "**Annexure II**" and forms a part of this report of the Directors.

18. MEETING OF DIRECTORS & COMMITTEE / BOARD EFFECTIVENESS

➢ **Meetings of the Board of Directors**

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

➢ **Committees of the Board**

In accordance with the applicable provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board constituted the following Committees:

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

- **Audit Committee:**

As on the date of this report, the Committee comprises of Dr. Archana Niranjan Hingorani as the Chairman, Ms. Nirali Sanghi and Mr. Milin Mehta as the Members of the Audit Committee.

Mr. Sarbeswar Lenka has ceased to be member from the close of working hours of March 31, 2020 and Mr. Milin Mehta has been appointed as member in his place w.e.f. April 01, 2020, subject to approval of Shareholders at ensuing Annual General Meeting. During the year, the Audit Committee met Four (4) times in compliance with the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Companies Act, 2013.

The role, terms of reference and powers of the Audit Committee are in conformity with the requirements of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Committee met during the year under review and discussed on various matters including Rights Issue, financials and audit reports. During the period under review, the Board of Directors of the Company accepted all the recommendations of the Audit Committee.

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

- **Nomination and Remuneration Committee**

As on the date of this report, the Committee comprises of Ms. Nirali Sanghi as Chairman and Dr. Archana Niranjan Hingorani and Mr. Milin Mehta as the Members of the Nomination and Remuneration Committee.

Mr. Sarbeswar Lenka has ceased to be member from the close of working hours of March 31, 2020 and Mr. Milin Mehta has been appointed as member in his place w.e.f. April 01, 2020, subject to approval of Shareholders at ensuing Annual General Meeting.

During the year, the Nomination and Remuneration Committee met Three (3) times. in compliance with the provisions of SEBI (Listing Obligations and Disclosure

Requirements) Regulations, 2015 and Companies Act, 2013.

The role, terms of reference and powers of the Nomination and Remuneration Committee are in conformity with the requirements of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a Nomination and Remuneration policy in compliance with the aforesaid provisions for selection and appointment of Directors, KMP, senior management personnel of the Company. The said policy is stated in the Corporate Governance Report of the Company and also it is available on the website at https://www.5paisa.com/investor-relations.

The terms of reference of Nomination and Remuneration Committee, details of Nomination and Remuneration policy and Committee meetings are provided in the Corporate Governance Report.

- **Stakeholders Relationship Committee**

As on the date of this report, the Committee comprises of Ms. Nirali Sanghi as Chairman, Dr. Archana Hingorani and Mr. Prakarsh Gagdani as the Members of the Stakeholders Relationship Committee.

During the year, the Stakeholders Relationship Committee met Once (1) in compliance with the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Companies Act, 2013.

The role, terms of reference of the Stakeholders Relationship Committee are in conformity with the requirements of the Companies Act, 2013 and Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the year 2019-20, the Company received two (2) complaints from investors including complaints received through SEBI's scores portal. Complaints were redressed to the satisfaction of the shareholders. The terms of reference of Stakeholder Relationship Committee, details of Complaints and Committee meeting are provided in the Corporate Governance Report.

- **Finance Committee**

As on the date of this report, the Committee comprises of Mr. Prakarsh Gagdani as the Chairman, Mr. Santosh Jayaram and Mr. Gourav Munjal as the members of the Committee.

During the year, the Finance Committee met five times (5).

The terms of reference of Finance Committee and details of Committee meetings are provided in the Corporate Governance Report.

➢ **Board Effectiveness**

- **Familiarisation Program for the Independent Directors**

In compliance with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has put in place a Familiarisation Programme for Independent Directors to familiarise them with the working of the Company, their roles, rights and responsibilities vis-à-vis the Company, the industry in which the Company operates, business model etc. Details of the Familiarisation Programme are explained in the Corporate Governance Report and are also available on the Company's website at https://www.5paisa.com/investor-relations.

- **Board Evaluation**

The Board of Directors have carried out an annual evaluation of its own performance, board committees and individual directors pursuant to the provisions of the Act and SEBI Listing Regulations.

The performance of the Board was evaluated by the Board after seeking inputs from all the directors on the basis of criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc.

The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of criteria such as the composition of committees, effectiveness of committee meetings, etc.

The above criteria are broadly based on the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on January 5, 2017.

In a separate meeting of independent directors held on March 31, 2020, performance of non-independent directors, the Board as a whole and the Chairman of the Company was evaluated, taking into account the views of executive directors and non-executive directors.

The Board and the Nomination and Remuneration Committee reviewed the performance of individual directors on the basis of criteria such as the contribution of the individual director to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc.

At the board meeting that followed the meeting of the independent directors and meeting of Nomination and Remuneration Committee, the performance of the Board, its Committees, and individual directors was also discussed. Performance evaluation of Independent Directors was done by the entire Board, excluding the independent director being evaluated.

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

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

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

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

  Further pursuant to Amendments in Companies (Appointment and Qualification of Directors) Rules, 2014, every individual who is appointed as Independent Director or who intends to be appointed as Independent Director in any company is required to register himself/herself in databank.

  Hence, as required under the amended rules, the declaration of above compliance under sec. 149(7) of Companies Act, 2013 has also been obtained from the Independent Directors on the Board of the Company.

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

19. DIRECTORS' RESPONSIBILITY STATEMENT

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

a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;

c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) they have prepared the annual accounts on a going concern basis;

e) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and

f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

20. INTERNAL FINANCIAL CONTROLS SYSTEMS AND THEIR ADEQUACY

The 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 the 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 the Company's internal financial controls were adequate and effective during FY 2020.

21. CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

The Company has put in place a policy for Related Party Transactions (RPT Policy), which has been approved by the Board of Directors in their meeting held on May 04, 2016. The policy provides for identification of RPTs, necessary approvals by the Audit Committee/Board/ Shareholders, reporting and disclosure requirements in compliance with Companies Act, 2013 and provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

All contracts executed by the Company during the financial year with related parties were on arm's length basis and in the ordinary course of business. All such Related Party Transactions were placed before the Audit Committee/Board for approval, wherever applicable. Also Company has obtained the Shareholders approval on the material related party transactions in the previous Annual General Meeting.

During the year, the Company has entered into any contract / arrangement / transaction with related parties, which are considered as material in accordance with Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the same was also approved by the shareholders in the Annual General Meeting held on September 30, 2019. The policy for determining 'material' subsidiaries and the policy on materiality of Related Party Transactions and dealing with Related Party Transactions as approved by the Board may be accessed on the Company's website at https://www.5paisa.com/investor-relations. You may refer to Note no. 33 to the financial statement, which contains related party disclosures.

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

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

22. EXTRACT OF ANNUAL RETURN

As per the requirements of Section 92(3) of the Act and Rules framed thereunder, the extract of the annual return for FY 2020 is given in **Annexure II** in the prescribed Form No. MGT-9, which is a part of this report. The extract of Annual Return of the Company has been placed and can be accessed at website at https://www.5paisa.com/investor-relations.

23. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There have been no material changes and commitments affecting the financial position of the Company, which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of this annual report.

24. SECRETARIAL AUDIT

Pursuant to the requirements of Section 204 of the Act read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of the Listing regulations, the Board had appointed M/s. Nilesh Shah & Associates, Company Secretary in Practice to conduct Secretarial Audit of the Company for the financial year 2019-20. The Auditor had conducted the audit and their report thereon was placed before the Board. There are no qualifications, reservations or adverse remarks in the Secretarial Audit Report for the Financial Year 2019-20. The Secretarial Auditor's Report is attached as **"Annexure-III"** and forms a part of this report.

25 COMPLIANCE WITH SECRETARIAL STANDARDS

The Board of Directors affirms that the Company has complied with the applicable Secretarial Standards issued by the Institute of Companies Secretaries of India (SS1 and SS2), respectively, relating to Meetings of the Board and its Committees that have mandatory application.

26. BUSINESS RESPONSIBILITY REPORT

As stipulated under Regulation 34 of the SEBI Listing Regulations, a Business Responsibility Report describing the initiatives taken by the Company from an environmental, social and governance perspective is attached as a part of this Annual Report. The Business Responsibility Report is also available on the Company's website: https://www.5paisa.com/investor-relations.

27. 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 –IV"** and forms part of this Report.

28. RISK MANAGEMENT

Your directors, on a regular basis:

(a) oversee and approve the Company's enterprise wide risk management framework; and

(b) oversee that all the risks that the organisation faces such as strategic, financial, credit, market, liquidity, security, property, IT, legal, regulatory, reputational and other risks have been identified and assessed and there is an adequate risk management infrastructure in place capable of addressing those risks.

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

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

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

The Company's management systems, organisational structures, processes, standards and code of conduct together form the risk management governance system of the Company and management of associated risks. The development and implementation of risk management policy has been covered in the Management Discussion and Analysis Report, which forms part of Annual Report.

29. WHISTLE BLOWER POLICY/ VIGIL MECHANISM

In compliance with Section 177(9) of the Companies Act, 2013 and Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements)

Regulations, 2015, the Company has adopted a Whistle Blower Policy. The Company's vigil mechanism / Whistle blower Policy aims to provide the appropriate platform and protection for Whistle blowers to report instances of any actual or suspected incidents of unethical practices, violation of applicable laws and regulations including the Company's code of conduct or ethics policy or Code of Conduct for Prevention of Insider Trading in the Company, Code of Fair Practices and Disclosure. The Company has disclosed the policy at the website at https://www.5paisa.com/investor-relations.

Your Company investigates such 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.

During the financial year 2019-20, no cases under this mechanism were reported to the Company and/or to any of its subsidiaries.

30. PREVENTION OF SEXUAL HARASSMENT

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

Your Directors further state that the during the financial year 2019-20, there were no complaints pending pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The following is reported pursuant to Section 22 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

a) Number of complaints received in the year : Nil

b) Number of complaints disposed off during the year : Nil

c) Number of cases pending more than ninety days: Nil

d) Number of workshops or awareness programme against sexual harassment carried out: The Company has conducted an online training for creating awareness against the sexual harassment against the women at work place.

e) Nature of action taken by the employer or district officer: Not Applicable.

Further, following are some of the awareness programs imparted to train the employees and Internal complaints committee (ICC) during the year:

1. Every employee of the Company has to undergo mandatory e-learning module on "Prevention of Sexual Harassment" at workplace.
2. Every new joiner is trained on Prevention of Sexual Harassment during induction program.
3. The Internal Complaints Committee is appropriately trained when the Committee members are on-boarded to the Committee.
4. Policy of "Prevention of Sexual Harassment" at workplace is available on the intranet portal to access as and when required. Further, your Company has setup an ICC which has equal representation of men and women and is chaired by senior woman and has an external women representation.

31. PARTICULARS OF EMPLOYEES

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in "**Annexure – V".**

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

32. STATUTORY AUDITORS AND AUDITORS REPORT

M/s. V Sankar Aiyar & Co, Chartered Accountants, Mumbai (Firm Registration Number: 109208W) were appointed as Statutory Auditor of the Company at the 10th Annual General Meeting held on July 19, 2017 to hold office from the conclusion of the said Meeting till the conclusion of the 15th Annual General Meeting to be held in the fiscal year 2022 subject to ratification of their appointment by the Members at every intervening Annual General Meeting held thereafter. The requirement for the annual ratification of auditor's appointment at the Annual General Meeting has been omitted pursuant to Companies (Amendment) Act, 2017 notified on May 7, 2018. Hence the resolution seeking ratification of the members for their appointment is not being placed at the ensuing Annual General Meeting. The Statutory Auditors have confirmed that they satisfy the independence criteria as required under the Act.

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 2019-20.

33. REPORTING OF FRAUDS BY AUDITORS

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

34. CORPORATE GOVERNANCE

The Company has a strong legacy of following fair, transparent and ethical governance practices and is committed to maintain the highest standards of Corporate Governance and strictly adheres to the Corporate Governance requirements set out by SEBI. The Company's Corporate Governance policy is based on the belief that a good governance is an essential element of business, which helps the Company to fulfill its responsibilities towards all its stakeholders. The report on Corporate Governance as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms an integral part of this Report. The requisite Auditor's Certificate on Corporate Governance obtained from M/s. V Sankar Aiyar & Co, Chartered Accountants (Firm Registration Number: 109208W) for compliance with LODR Regulations is attached to the report on Corporate Governance.

35. MAINTENANCE OF COST RECORDS

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

36. GENERAL

Your Directors state that during the financial year 2019-20:

1. The Company has not issued equity shares with differential rights as to dividend, voting or otherwise.
2. The Company has not issued any sweat equity shares during the year.
3. There are no significant and material orders passed against the Company by the Regulators or Courts or Tribunals during the year ended March 31, 2020 which would impact the going concern status of the Company and its future operations.

37. 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 Company's Bankers for the assistance, cooperation and encouragement extended to the 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. Our employees are instrumental in the Company to scale new heights, year after year. Their commitment and contribution is deeply acknowledged. Your involvement as shareholders is also greatly valued. Your Directors look forward to your continuing support.

For and on behalf of the Board

Prakarsh Gagdani	**Santosh Jayaram**
Whole Time Director & CEO	Whole Time Director
DIN: 07376258	DIN: 07955607

Place: Mumbai
Date: May 07, 2020

Annexure – I to Directors' Report

Form AOC-1

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

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

PART "A": SUBSIDIARIES

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

Sl. No.	Particulars	Details		
1.	Name of the subsidiary	**5paisa P2P Limited**	**5paisa Insurance Brokers Limited**	**5paisa Trading Limited**
2.	Reporting period for the subsidiary concerned, if different from the holding Company's reporting period	April 01, 2019 to March 31, 2020	April 01, 2019 to March 31, 2020	February 27, 2020 to March 31, 2020
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INR	INR	INR
4.	Share capital	72.50	0.50	0.50
5.	Reserves & surplus	(0.30)	(0.05)	(0.01)
6.	Total Assets	74.08	0.48	0.50
7.	Total Liabilities	1.88	0.03	0.01
8.	Investments	52.48	Nil	Nil
9.	Turnover	2.85	Nil	Nil
10.	Profit before taxation	(0.10)	(0.04)	(0.01)
11.	Provision for taxation	(0.09)	(0.02)	Nil
12.	Profit after taxation	(0.01)	(0.02)	(0.01)
13.	Proposed Dividend	Nil	Nil	Nil
14.	% of shareholding	100	100	100

Notes: The following information shall be furnished at the end of the statement:

1. Names of subsidiaries which are yet to commence operations – **5paisa Insurance Brokers Limited, 5paisa P2P Limited and 5paisa Trading Limited**
2. 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

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

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

For and on behalf of the Board

Prakarsh Gagdani
Whole Time Director & CEO
DIN: 07376258

Santosh Jayaram
Whole Time Director
DIN: 07955607

Gourav Munjal
Whole Time Director
& Chief Financial Officer

Namita Godbole
Company Secretary

Date: May 07, 2020
Place: Mumbai

Annexure – II to Directors' Report

Form No. MGT-9
Extract of Annual Return
as on the financial year ended on March 31, 2020

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i)	CIN:	L67190MH2007PLC289249
ii)	Registration Date	July 10, 2007
iii)	Name of the Company	5paisa Capital Limited
iv)	Category / Sub-Category of the Company	Listed Public Company Limited by shares
v)	Address of the Registered office and contact details	IIFL House, Sun Infotech Park, Road No. 16V, Plot No.B-23, Thane Industrial Area, Wagle Estate, Thane-400604 Tel No.: 022-62727000 Fax No.: 022- 26847077
vi)	Whether listed Company	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Private Limited C101, 247 Park, L. B. S. Marg, Vikhroli (West), Mumbai - 400083. Tel: +91 22 49186000 Fax: +91 22 2594 6969 E-mail: mumbai@linkintime.co.in Website: www.linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company are given below: -

Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the Company
Stock Broking	66120	99.94
Fund based Activities and distribution of financial products	66190	0.06

* As per National Industrial Classification 2008 – Ministry of Statistics and Programme Implementation.

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:-

Sr. No.	Name of the Company	Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held*	Applicable section
1	5paisa P2P Limited	IIFL House, Sun Infotech Park, Road No. 16V, Plot No.B-23, Thane Industrial Area, Wagle Estate, Thane, Maharashtra, 400604.	U67120MH2017PLC302564	Wholly Owned Subsidiary	100	2(87)
2	5paisa Insurance Brokers Limited	IIFL House, Sun Infotech Park, Road No. 16V, Plot No.B-23, Thane Industrial Area, Wagle Estate, Thane, Maharashtra, 400604.	U66020MH2018PLC316449	Wholly Owned Subsidiary	100	2(87)
3	5paisa Trading Limited	IIFL House, Sun Infotech Park, Road No. 16V, Plot No. B-23, Thane Industrial Area, Wagle Estate, Thane, Maharashtra, 400604.	U52609MH2020PLC338333	Wholly Owned Subsidiary	100	2(87)

* Representing aggregate percentage of equity shares held by the Company and / or its subsidiaries.

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

i) Category-wise Share Holding

Sr. No.	Category of Shareholders	No. of Shares held at the beginning of the year (As on April 01, 2019)				No. of Shares held at the end of the year (As on March 31, 2020)				% Change during the year*
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	**Shareholding of Promoter and Promoter Group**									
[1]	**Indian**									
(a)	Individuals / Hindu Undivided Family	3712977	Nil	3712977	29.1465	8650698	Nil	8650698	33.9540	4.8075
(b)	Central Government / State Government(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(c)	Bodies Corp.	160000	Nil	160000	1.2560	160000	Nil	160000	0.6280	(0.6280)
(d)	Financial Institutions / Banks	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(e)	Any Other (Specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Sub Total (A)(1)	**3872977**	**Nil**	**3872977**	**30.4025**	**8810698**	Nil	**8810698**	**34.5820**	**4.1795**
[2]	**Foreign**									
(a)	NRI – Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(b)	Other-Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(c)	Bodies Corporate	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(d)	Banks/ FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(e)	Any Other (Specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Sub Total (A)(2)	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**
(A)	**Total Shareholding of Promoter and Promoter Group(A)= (A)(1)+(A)(2)**	**3872977**	**Nil**	**3872977**	**30.4025**	**8810698**	**Nil**	**8810698**	**34.5820**	**4.1795**
(B)	**Public Shareholding**									
[1]	**Institutions**									
(a)	Mutual Funds / UTI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(b)	Financial Institutions / Banks	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(c)	Central Govt	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(d)	State Govt(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(e)	Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(f)	Insurance Companies	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(g)	Foreign Institutional Investors	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(h)	Foreign Venture Capital Investors	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(i)	Foreign Portfolio Investor	2437417	Nil	2437417	19.1335	4596127	Nil	Nil	18.0398	(1.0937)
(j)	Any Other (Specify)									
	Sub-total (B)(1):-	**2437417**	**Nil**	**2437417**	**19.1335**	**4596127**	**Nil**	**Nil**	**18.0398**	**(1.0937)**

Annexure – II to Directors' Report (Contd.)

Sr. No.	Category of Shareholders	No. of Shares held at the beginning of the year (As on April 01, 2019)				No. of Shares held at the end of the year (As on March 31, 2020)				% Change during the year*
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2	**Non-Institutions**									
a)	**Bodies Corp.**	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
i)	Indian	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
ii)	Overseas	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b)	**Individuals**									
	(i) Individual shareholders holding nominal share capital upto ₹ 1 lakh.	837034	2309	839343	6.5888	1124249	2406	1126655	4.4221	(2.1667)
	(ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	1282876	Nil	1282876	10.0704	2994249	Nil	2994249	11.7524	1.6820
c)	NBFCs registered with RBI	200	Nil	200	0.0016	Nil	Nil	Nil	Nil	(0.0016)
d)	**Any Others**									
	Trusts	90	Nil	90	0.0007	59	Nil	59	0.0002	(0.0005)
	Hindu Undivided Family	64359	Nil	64359	0.5052	137892	Nil	137892	0.5412	0.0360
	NRI (Repatriable)	450098	9000	459098	3.6039	486056	9000	495056	1.9431	(1.6608)
	NRI(Non Repatriable)	280543	Nil	280543	2.2022	352131	Nil	352131	1.3821	(0.8201)
	Foreign Nationals	5000	Nil	5000	0.0392	5000	Nil	5000	0.0196	(0.0196)
	Clearing Member	26411	Nil	26411	0.2073	8146	Nil	8146	0.0320	(0.1753)
	Foreign Companies	3385657	Nil	3385657	26.5771	6771314	Nil	6771314	26.5774	0.0003
	Bodies Corporate	82051	Nil	82051	0.6441	177341	Nil	177341	0.6961	0.0520
	Foreign Portfolio Investor (Individual)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Sub Total (B)(2)	**6414319**	**11309**	**6425628**	**50.4405**	**12056437**	**11406**	**12067843**	**47.3664**	**(3.0741)**
	Total Public Shareholding(B)=(B)(1)+(B)(2)	**8851736**	**11309**	**8863045**	**69.5740**	**16652564**	**11406**	**16663970**	**65.4062**	**(4.1678)**
(C)	**Shares held by the Custodian for GDRs & ADRs**									
[1]	Custodian/DR Holder	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
[2]	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	3000	Nil	3000	0.0235	3000	Nil	3000	0.0118	(0.0117)
	Sub Total (C)	3000	Nil	3000	0.0235	3000	Nil	3000	0.0118	(0.0117)
	Total (A)+(B)+(C)	**12727713**	**11309**	**12739022**	**100.0000**	**25466262**	**11406**	**25477668**	**100.0000**	**Nil**

ii) Shareholding of Promoters:-

Shareholder's Name	Shareholding at the beginning of the year (As on April 01, 2019)			Shareholding at the end of the year (As on March 31, 2020)			% change in share holding during the year*
	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
Nirmal Jain	2228600	17.49	Nil	5600088	21.98	Nil	4.49
Venkataraman Rajamani	436377	3.43	Nil	949594	3.73	Nil	0.30
Madhu N Jain	680000	5.34	Nil	1365016	5.36	Nil	0.02
Aditi Avinash Athavankar (in her capacity as a trustee of Kalki Family Private Trust)	360000	2.83	Nil	720000	2.83	Nil	Nil
Ardent Impex Private Limited	108000	0.85	Nil	108000	0.42	Nil	(0.43)
Orpheus Trading Private Limited.	52000	0.41	Nil	52000	0.20	Nil	(0.21)
Aditi Athavankar	8000	0.06	Nil	16000	0.06	Nil	Nil
Total	**3872977**	**30.41**	**Nil**	**8810698**	**34.58**	**Nil**	**4.17**

Note:

During the year, the Company has raised capital through Rights issue. Pursuant to this there is an increase and decrease in shareholding of Promoters. The decrease in shareholding of Ardent Impex Private Limited and Orpheus Trading Private Limited is due to inter-se renunciation between Promoters. During the year, Promoter and member of Promoter group did not sell any of their shares.

iii) Change in Promoters Shareholding

Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company*
At the beginning of the year (April 01, 2019)	3872977	30.40	---	---
Additional shares acquired by Mr. Nirmal Jain and Mrs. Madhu Jain on 20.05.2019 (Mrs. Madhu Jain-2508 and Mr. Nirmal Jain- 2479)	NA	NA	3877964	30.44
At the end of the year (March 31, 2020)	**8810698**	**34.58**	**8810698**	**34.58**

*During the Financial Year 2019-20, the company had raised capital through rights issue, during which the shares were also allotted to the promoters of the company. The Rights Issue Committee approved the allotment on August 20, 2019. The change in shareholding of promoters is due to this rights issue.

Annexure – II to Directors' Report (Contd.)

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	Name of shareholders	Shareholdings at the beginning of the year (As on April 01, 2019)		Change in Shareholdings (No. of shares)		Shareholdings at the end of the year (As on March 31, 2020)	
		No. of shares	% of total shares of the Company	Increase	Decrease	No. of shares	% of total shares of the Company*
1	FIH Mauritius Investments Limited	33,85,657	26.58	33,85,657	--	67,71,314	26.58
2	HWIC Asia Fund Class A Shares	11,34,501	8.90	11,34,501	--	22,69,002	8.91
3	Bank Muscat India Fund	5,03,928	3.95	5,03,928	--	10,07,856	3.96
4	Bharat H Parajia	6,15,471	4.83	--	--	6,15,471	2.42
5	WF Asian Reconnaissance Fund Limited	2,64,253	2.07	2,64,253	--	5,28,506	2.07
6	Lobco Limited	2,16,722	1.70	2,16,722	--	4,33,444	1.70
7	Aniruddha Dange	1,34,905	1.06	1,50,000	--	2,84,905	1.12
8	Vasudev Jagannath Nuggehalli	1,31,160	1.03	1,50,000	--	2,81,160	1.10
9	Mansukh Jain	1,08,004	0.85	96,500	--	2,04,504	0.80
10	Habrok India Master LP	1,36,002	1.07	54,106	--	1,90,108	0.74

v) Shareholding of Directors and Key Managerial Personnel(KMP):

Sr. No.	Name of Directors and KMP	Shareholding at the beginning of the year (As on April 01, 2019)		Change in Shareholding (No. of Shares)		Shareholdings at the end of the year (As on March 31, 2020)	
		No. of shares	% of total shares of the Company	Increase	Decrease	No. of shares	% of total shares of the Company#
1.	Dr. Archana Niranjan Hingorani	Nil	Nil	Nil	Nil	Nil	Nil
2.	Ms. Nirali Sanghi	Nil	Nil	Nil	Nil	Nil	Nil
3.	Mr. Prakarsh Sharad Gagdani	8,990	0.07	21,500	Nil	30,490	0.12
4.	Mr. Santosh Jayaram	Nil	Nil	Nil	Nil	Nil	Nil
5.	Mr. Sarbeswar Lenka^	Nil	Nil	Nil	Nil	Nil	Nil
6.	Mr. Roshan Dave *	1	0.00	1	Nil	2	0.00
7.	Mr. Gourav Munjal$ Chief Financial Officer & Wholetime Director	Nil	Nil	Nil	Nil	Nil	Nil
8.	Ms. Namita Godbole@	Nil	Nil	Nil	Nil	Nil	Nil

Note:-

@ Ms. Namita Godbole was appointed as Company Secretary w.e.f. December 01, 2019.

* Mr. Roshan Dave resigned as a Company Secretary w.e.f. November 30, 2019.

^ Mr. Sarbeswar Lenka resigned as Non-Executive Director w.e.f. March 31, 2020 and Mr. Milin Mehta has been appointed in his place w.e.f. April 01, 2020, subject to the approval of Shareholders in the ensuing AGM.

$ Mr. Gourav Munjal was appointed as Wholetime Director w.e.f. January 16, 2020.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payments

(Amount in ₹)

Particulars	Secured Loans excluding Deposits	Unsecured Loans	Deposit	Total Indebtedness
Indebtedness at the beginning of year as on April 01, 2019				
(i) Principal amount	63,01,15,894	29,00,00,000	Nil	**92,01,15,894**
(ii) Int. due but not paid	0	0	Nil	**Nil**
(iii) Int. accrued but not due	0	0	Nil	**Nil**
Total (i+ii+iii)	**63,01,15,894**	**29,00,00,000**	**Nil**	**92,01,15,894**
Changes in Indebtedness during the year				
Addition	56,18,14,654	3,56,66,00,000	Nil	**4,12,84,14,654**
Reduction	0	2,85,66,00,000	Nil	**2,85,66,00,000**
Net Change	**56,18,14,654**	**71,00,00,000**	Nil	**1,27,18,14,654**
Indebtedness at the end of the financial year March 31, 2020				
(I) Principal amount	119,19,30,548	1,00,00,00,000	**Nil**	**2,19,19,30,548**
(ii) Int. due but not paid	0	0	**Nil**	**Nil**
(iii) Int. accrued but not due	0	0	**Nil**	**Nil**
Total (i+ii+iii)	**119,19,30,548**	**1,00,00,00,000**	**Nil**	**2,19,19,30,548**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager. (Amount in ₹)

Particulars of Remuneration	Name of MD/WTD/ Manager			Total
Name of MD/WTD/Manager	Mr. Prakarsh Sharad Gagdani	Mr. Santosh Jayaram	Mr. Gourav Munjal	
Gross salary				
(a) Salary as per provisions contained in section 17(1) of the Income- tax Act, 1961	9,886,946	3,183,155	3,323,989	16,394,090
(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	39,600	Nil	Nil	39,600
(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil	Nil
Stock Option (in quantity)*	4,50,000	50,000	40,000	5,40,000
Sweat Equity	Nil	Nil	Nil	Nil
Commission - as % of profit -others, specify	 Nil Nil	 Nil Nil	 Nil Nil	 Nil Nil
Others[Provident Fund, pension fund and NPS]	Nil	Nil	Nil	Nil
Total (A)	**10,376,546**	**3,233,155**	**3,363,989**	**16,973,690**

*Stock options were granted on April 18, 2019 and December 31, 2019 under 5paisa Capital Limited Employee Stock Option Scheme 2017. Further, pursuant to Corporate Action in the form of Rights Issue, additional stock options were granted to the existing option holders in the ratio 1:1.

** In view of loss, the ceiling is applicable as per Schedule V and other applicable provisions of the Companies Act, 2013 with related Rules thereto.

Annexure – II to Directors' Report (Contd.)

B. Remuneration to other directors: (Amount in ₹)

Particulars of Remuneration	Name of Directors			Total
Name of Director	Mr. Sarbeswar Lenka (Non-Executive Director)*	Dr. Archana Niranjan Hingorani (Independent Directors)	Ms. Nirali Sanghi (Independent Directors)	
Independent Directors				
- Fees for attending board/ committee meetings	N.A	3,90,000	3,60,000	7,50,000
- Commission	N.A	Nil	Nil	Nil
- Other	N.A	Nil	Nil	Nil
Total (1)	N.A	**3,90,000**	**3,60,000**	**7,50,000**
Other Non-Executive Directors				
- Fees for attending board/ committee meetings	2,70,000	Nil	Nil	2,70,000
- Commission	Nil	Nil	Nil	Nil
- Others	Nil	Nil	Nil	Nil
Total (2)	**Nil**	**Nil**	**Nil**	**Nil**
Total (B)=(1+2)	**2,70,000**	**3,90,000**	**3,60,000**	**10,20,000**
(A+B)	**Total Managerial Remuneration**			**10,20,000**
Overall Ceiling as per the Act	Overall Ceiling as per the Companies Act, 2013 for sitting fees is upto ₹ 1.00 Lac to be paid to directors for attending the each Board or Committee meetings.			

* Mr. Sarbeswar Lenka resigned as Non-Executive Director from Board of 5paisa Capital Limited w.e.f. close of working hours of March 31, 2020 and Mr. Milin Mehta has been appointed in his place w.e.f. April 01, 2020, subject to the approval of Shareholders in the ensuing AGM.

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD (Amount in ₹)

Particulars of Remuneration	Name of the Key Managerial Personnel			Total
	**Mr. Gourav Munjal (Chief Financial Officer & Wholetime Director)	@Mr. Roshan Dave (Company Secretary)	# Ms. Namita Godbole (Company Secretary)	
Gross Salary				
a. Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	3,323,989	1,232,548	1,284,592	5,841,129
b. Value of perquisites u/s 17(2) of the Income-tax Act, 1961	Nil	Nil	Nil	Nil
c. Profits in lieu of salary under section 17(3) of the Income tax Act, 1961	Nil	Nil	Nil	Nil
Stock Option (in quantity) *	40,000	13,000	Nil	53,000
Sweat Equity	Nil	Nil	Nil	Nil
Commission - as % of profit	Nil	Nil	Nil	Nil
Others, please specify [Provident Fund and pension fund]	Nil	49,552	64,000	113,552
Total	3,233,155	1,295,100	1,348,592	5,876,847

*Stock options were issued on April 18, 2019 and December 31, 2019 under 5paisa Capital Limited Employee Stock Option Scheme 2017. Further, pursuant to Corporate Action in the form of Rights Issue, additional stock options were granted to the existing option holders in the ratio 1:1.

** Mr. Gourav Munjal was appointed as Wholetime Director w.e.f. January 16, 2020.

@ Mr. Roshan Dave resigned as Company Secretary w.e.f. November 30, 2019.

Ms. Namita Godbole was appointed as Company Secretary w.e.f. December 01, 2019.

Annexure – II to Directors' Report (Contd.)

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty			**NIL**		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

For and on behalf of the Board

Prakarsh Gagdani
Whole Time Director & CEO
DIN: 07376258

Santosh Jayaram
Whole Time Director
DIN: 07955607

Date: May 07, 2020
Place: Mumbai

Annexure – III to Directors' Report

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020

[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 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, 2020**, 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, 2020 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 (Issue of Capital and Disclosure Requirements) Regulations, 2018;

  (e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

  (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client;

(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;

  (d) The Securities and Exchange Board of India (Investment Advisors) Regulations, 2013;

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, 2009;

(b) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998;

(c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

Based on the above said information provided by the Company, we report that during the financial year under report, the Company has complied with the provisions of the above-mentioned Act/s including the applicable provisions of the Companies Act, 2013 and Rules, Regulations, Guidelines, Standards, etc. mentioned above and we have no observation of instances of non Compliance in respect of the same.

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 that took place during the year under review were carried out 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.

We further report that during the audit period under review, there were no events / actions having major bearing on the Company's affairs save and except as mentioned below:

- The Company has issued and allotted 12,738,646 equity shares by way of a Rights Issue on August 20, 2019 to the existing shareholders of the Company in the ratio of 1 equity share of ₹ 10 each for every 1 equity share of ₹ 10 each held in the Company at a premium of ₹ 70 per share i.e. issue price of ₹ 80 each.

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

Date : May 07, 2020
Place : Mumbai

Signature:-
Name: Nilesh Shah
For Nilesh Shah & Associates
Company Secretaries
FCS : 4554
C.P. : 2631

'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. Due to COVID-19 outbreak and Lockdown situation, in respect of part of the Audit, especially for verification of compliance for the Last two Quarter of the financial year i.e. October 2019 to March, 2020, we have relied on the information, details, data, documents and explanation as provided by the Company and its officers and agents in electronic form without physically verifying their office.
7. 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: May 07, 2020
Place:- Mumbai

Signature:-
Name: Nilesh Shah
For Nilesh Shah & Associates
Company Secretaries
FCS : 4554
C.P. : 2631

Annexure – IV to Directors' Report

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

CONSERVATION OF ENERGY

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

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

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

Technology

Technology is a driving force at 5paisa. At every level we leverage technology to drive change across the organisation. Whether it is to improve a customers 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 FY2020.

Driving Experience

The past year has seen several enhancements in the trading journey of the customer across web and mobile platforms. We have been one of the pioneers in the industry to equip the customer with a powerful tools like Portfolio Analyser which allows users to analyse their every decision and monitor their portfolio smartly to take the better decisions. Tools like screeners and DVM Score help customer discover opportunities in the market.

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 tailormade experience that help 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 area 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. Our development efforts towards such changes were instrumental in helping us quickly adapt to the work-from-home environment during the lockdown situation.

FOREIGN EXCHANGE EARNINGS/OUTGO OF THE STANDALONE COMPANY

a) The foreign exchange earnings: NIL

b) The foreign exchange expenditure: NIL

Annexure – IV to Directors' Report (Contd.)

RESEARCH AND DEVELOPMENT (R & D)

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

Amount of expenditure incurred on Research and Development:

Particulars	March 31, 2020	March 31, 2019
Capital	Nil	Nil
Revenue	Nil	Nil

For and on behalf of the Board

Prakarsh Gagdani
Whole Time Director & CEO
DIN: 07376258

Santosh Jayaram
Whole Time Director
DIN: 07955607

Place: Mumbai
Date: May 07, 2020

Annexure – V to Directors' Report

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

Sr. No.	Requirement	Disclosure	
I	The ratio of the remuneration of each Director to the median remuneration of the employees for the financial year	Prakarsh Gagdani – WTD & CEO	40.85X
		Santosh Jayaram – WTD	13.10X
		Gourav Munjal-Wholetime Director**	3.09X
		Non-Executive Director@	
		Dr. Archana Niranjan Hingorani	NA
		Mr. Sarbeswar Lenka#	NA
		Ms. Nirali Sanghi	NA
II	The percentage increase in remuneration of each Director, CFO, CEO, CS in the financial year	**Executive Directors**	
		Prakarsh Gagdani – WTD & CEO	10%
		Santosh Jayaram WTD	13%
		Gourav Munjal-Wholetime Director**	19%
		Non-Executive Director@	
		Dr. Archana Niranjan Hingorani	NA
		Mr. Sarbeswar Lenka#	NA
		Ms. Nirali Sanghi	NA
		CFO, CEO and CS	
		Prakarsh Gagdani – WTD & CEO	10%
		Chief Financial Officer (CFO)	19%
		Company Secretary (Roshan Dave)*	22%
		Company Secretary (Namita Godbole)*	NA
III	The percentage increase in the median remuneration of employees in the financial year	The median remuneration of the employees in the financial year was increased by 13%. The calculation of % increase in Median Remuneration is done based on comparable employees. For this the employees who were not eligible for any increment have been excluded.	
IV	The number of permanent employees on the rolls of the Company	The Company had 585 employees on the rolls as on March 31, 2020.	
V	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	In Financial Year 2019-20, there is an average increase of 13% in the remuneration other than managerial personnel as compared to increase of 21% in the remuneration of managerial personnel.	
VI	Affirmation that the remuneration is as per the remuneration policy of the Company	Yes it is confirmed	

Note: 1. *Mr. Roshan Dave has resigned as Company Secretary w.e.f. November 30, 2019 and Ms. Namita Godbole has been appointed as Company Secretary w.e.f. December 01, 2019.

2. #Mr. Sarbeswar Lenka ceased to be a Non-Executive Director on board of 5paisa Capital Limited w.e.f. close of Working Hours of March 31, 2020 and Mr. Milin Mehta has been appointed in his place w.e.f. April 01, 2020, subject to the approval of Shareholders in the ensuing AGM.

3. ** Mr. Gourav Munjal was appointed as an Wholetime Director w.e.f. January 16, 2020.

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

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

For and on behalf of the Board

Prakarsh Gagdani
Whole Time Director & CEO
DIN: 07376258

Santosh Jayaram
Whole Time Director
DIN: 07955607

Date: May 07, 2020
Place: Mumbai

Business Responsibility Report

ABOUT 5PAISA

5paisa Capital Limited is a financial Services company with a focus on "discount broking" services, providing financial products through an online technology platform and mobile application. We provide services in capital market, futures & options and currency derivatives segments of BSE and NSE. We are a depository participant of CDSL and also a trading cum clearing member of BSE and NSE. We distribute mutual funds and IPO products and are also registered as a research analyst.

We are a technology driven company having primarily an online presence, providing services through a DIY (do-it-yourself) model and we charge a flat brokerage fee of ₹ 20 per order for all transactions instead of differential brokerage.

ABOUT THIS REPORT

As per the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") (as amended from time to time), top 1000 listed entities (based on market capitalisation) on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") are required to include a Business Responsibility Report ("BRR") in their Annual Report.

Our Business Responsibility Report includes our responses to questions on our practices and performance on key principles defined by Regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, covering topics across environment, governance, and stakeholder relationships. In keeping with the guiding principles of integrated reporting, we have provided cross-references to the reported data within the main sections of this Annual Report for all aspects that are material to us and to our stakeholders.

Section A: General Information about the Company:

<table>
<tr><th>Sr No</th><th>Particulars</th><th>Details</th></tr>
<tr><td>1.</td><td>Corporate Identity Number (CIN) of the Company</td><td>L67190MH2007PLC289249</td></tr>
<tr><td>2.</td><td>Name of the Company</td><td>5paisa Capital Limited</td></tr>
<tr><td>3.</td><td>Registered Address</td><td>IIFL House Sun Infotech Park, Road No. 16, Plot No. B-23, MIDC, Wagle Estate, Thane 400604</td></tr>
<tr><td>4.</td><td>Website</td><td>www.5paisa.com</td></tr>
<tr><td>5.</td><td>Email id</td><td>csteam@5paisa.com</td></tr>
<tr><td>6.</td><td>Financial Year reported</td><td>2019-20</td></tr>
<tr><td>7.</td><td>Sector(s) that the Company is engaged in (industrial activity code-wise)</td><td><table><tr><th>Nature of Activity</th><th>NIC Code of Product/Service</th></tr><tr><td>Stock Broking</td><td>66120</td></tr><tr><td>Depository Participant</td><td>66190</td></tr></table></td></tr>
<tr><td>8.</td><td>List three key products/services that the Company manufactures/ provides (as in balance sheet)</td><td>Stock Broking, Depository Participant and distribution of other financial products</td></tr>
<tr><td>9.</td><td>Total number of locations where business activity is undertaken by the Company</td><td></td></tr>
<tr><td></td><td>i. Number of international locations</td><td>Nil</td></tr>
<tr><td></td><td>ii. Number of National locations</td><td>5paisa Capital Limited has its Registered Office at Thane and Corporate Office in Mumbai, and branch offices in Bangalore and Ahmedabad in the state of Maharashtra. However, the Accounts are opened of clients located across the nation</td></tr>
<tr><td>10.</td><td>Markets served by the Company- Local/State/ National/International</td><td>National</td></tr>
</table>

Section B: Financial Details of the Company

(₹ in Millions)

Sr No	Particulars	Details
1.	Paid up Capital of the Company (₹)	₹ 254.776 million
2.	Total Turnover (₹)	Consolidated: 1082.76 Standalone : 1081.36
3.	Total profits/loss after taxes (₹)	Consolidated: (78.96) Standalone : (78.95)
4.	Total Spending on Corporate Social Responsibility as percentage of profit after tax (%)	CSR is not applicable the Company has been incurring losses.
5.	List of activities in which expenditure in 4 above has been incurred	Nil

Section C: Other Details

1. **Does the Company have any subsidiary Company/ companies?**

   Yes, 5paisa Capital Limited has 3 subsidiaries. Please refer to Annexure 1 of Board's Report.

2. **Do the subsidiary company / companies participate in the BR initiatives of the parent Company? If yes, then indicate the number of such subsidiary company(s).**

   Yes, the subsidiaries participate in the BR activity of the Company. Yes, 3 subsidiaries namely 5paisa P2P Limited, 5paisa Insurance Brokers Limited and 5paisa Trading Limited participate in the activity of the Company.

3. **Do any other entity / entities (e.g. suppliers, distributors, etc.) that the Company does business with participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity / entities (Less than 30%, 30%, 60%, More than 60%).**

   No, other business partners of the Company do not directly participate in the Company's BR initiatives. The Company endeavors to encourage its Franchisees/suppliers /distributors (wherever possible) to participate in the initiatives towards BR and to adopt practices which would help them to carry out business in a fair manner.

Section D: BR Information

1. **Details of Director/Directors responsible for BR**

   a) **Details of the Director/Directors responsible for implementation of the BR policy/policies**

1	DIN Number	07376258
2	Name	Mr. Prakarsh Gagdani
3	Designation	Chief Executive Office & Wholetime Director

   b) **Details of the BR head**

No.	Particulars	Details
1	DIN Number (if applicable)	07955607
2	Name	Mr. Santosh Jayaram
3	Designation	Wholetime Director
4	Telephone No.	+91 89766 89766
5	E-mail Id	csteam@5paisa.com

1. **Principle-wise (as per National Voluntary Guidelines) Business Responsibility (BR) policy / policies (reply with Yes / No)**

   National Voluntary Guidelines (NVGs) on social, environmental and economic responsibilities of business prescribed by the Ministry of Corporate Affairs advocates the nine principles detailed below:

   P1 - Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

   P2 - Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

   P3 - Businesses should promote the wellbeing of all employees

   P4 - Businesses should respect the interests of, and be responsive towards stakeholders, especially those who are disadvantaged, vulnerable and marginalised

   P5 - Businesses should respect and promote human rights

   P6 - Business should respect, protect, and make efforts to restore the environment

   P7 - Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

   P8 - Businesses should support inclusive growth and equitable development

Business Responsibility Report (Contd.)

P9 - Businesses should engage with and provide value to their customers and consumers in a responsible manner

S. No.	Question	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy / policies for..	Y	NA (Refer note 1)	Y	Y	Y	NA (Refer note 2)	Y (refer note 3)	Y	Y
2.	Has the policy been formulated in consultation with the relevant stakeholders?	Y	-	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national / international standards?	The policies adopted by the Company are in conformity with the applicable rules and regulations.								
4.	Has the policy been approved by the Board? If yes, has it been signed by the MD / owner / CEO / appropriate Board Director?(*)	Policies wherever stated have been approved by the Board / Committee of the Board / Senior Management of the Company and followed by the Company and its subsidiaries.								
5.	Does the Company have a specified committee of the Board / Director / Official to oversee the implementation of the policy?	Y	-	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link for the policy to be viewed online	As per regulatory requirement, the policies of the Company have been uploaded on the website of the Company: https://www.5paisa.com/investor-relations								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes								
8.	Does the Company have an in-house structure to implement the policy / policies?	Yes, the Company implements all the policies in the Board Meeting held on Quarterly Basis that are held as per Companies Act, 2013.								
9.	Does the Company have a grievance redressal mechanism related to the policy / policies to address stakeholders' grievances related to the policy / policies?	Y	-	Y	Y	Y	Y	Y	Y	Y
10.	Has the Company carried out independent audit / evaluation of the working of this policy by an internal or external agency?	Y	-	Y	Y	Y	Y	Y	Y	Y

Notes:

1. 5paisa and its subsidiaries are engaged into diversified financial services like Stock Broking, Depository Participant, Peer to Peer lending. Hence this principle has a limited applicability. 5paisa Group ("5paisa"), however complies with all applicable regulations in respect of its operations.
2. The questions relating to 'Principle 6' (P6) are not substantially relevant to 5paisa given that the 5paisa operates into the financial services sector. 5paisa complies with the applicable environmental norms in respect to the areas of its operations. 5paisa, alongwith its employees, make continues efforts to ensure that there is an optimum utilization of the available resources with minimum or no wastages at all.
3. 5paisa is a member of various associations, through which they provide various representations/suggestions with respect to the development of financial market.
4. All policies are reviewed annually by the Board and amended in line with the applicable regulations from time to time. Also, they are reviewed by the auditor from time to time.

2a. If answer to Sl. No. 1 against any principle is 'No', please explain why (tick up to two options)

S. No.	Question	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The Company has not understood the principles.	-	-	-	-	-	-	-	-	-
2.	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles.	-	-	-	-	-	-	-	-	-
3.	The Company does not have financial or manpower resources available for the task.	-	-	-	-	-	-	-	-	-
4.	It is planned to be done within the next six months.	-	-	-	-	-	-	-	-	-
5.	It is planned to be done within the next one year.	-	-	-	-	-	-	-	-	-
6.	Any other reason (please specify)	-	-	-	-	-	-	-	-	-

3. **Governance related to BR**

   a. **Indicate the frequency with which the Board of Directors, committee of the Board or CEO assesses the BR performance of the Company – Within 3 months, 3-6 months, annually, more than 1 year.**

   Pursuant to Regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors would be assessing the BR performance annually.

   b. **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently is it published?**

   This Business Responsibility Report of the Company will be part of the Annual Report from the Financial Year 2019-20. The same will also be available on the website of the Company i.e. www.5paisa.com.

   It will be published annually in the Annual Report.

Section E: Principle-wise Performance

Principle 1- Business should conduct and govern themselves with ethics, transparency and accountability.

1. **Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs /Others?**

   5paisa Capital Limited conducts its business with utmost integrity. It considers ethics, transparency and accountability to be its most important operational priorities and these are ingrained into its practices across the organisation.

   5paisa is committed to act professionally, fairly and with integrity in all its dealings. The Company, through the Code of Conduct, has adopted a 'zero-tolerance' approach to bribery and corruption. The Code is applicable to directors and employees of the Company as well as the directors and employees of the subsidiary companies.

   Though, 5paisa polices currently do not apply to external stakeholders such as suppliers, contractors, NGOs, etc. 5paisa emphasises on adherence to ethical business practises while dealing with such stakeholders.

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

   During the year 2019-20, the Company received two (2) complaints from investors including complaints received through SEBI's scores portal. Complaints were redressed to the satisfaction of the shareholders.

   Customers/ Other stakeholders of various businesses of 5paisa

   The complaints received from customers directly or through various regulators in the ordinary course of business are handled by the Legal team and resolved within the prescribed timelines as required under various regulations.

   With respect to employees

   The Company has a mechanism as provided under the Whistle Blower Policy/Prevention of Sexual

Harassment Policy whereby employees can raise their concerns. A report on the concerns received, if any and the manner in which they are dealt with is periodically reported to the Audit Committee. During the Financial year the company did not receive complaints under Whistle Blower Policy/Prevention of Sexual Harassment Policy.

Principle 2- Business should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

   5paisa clients are provided online trading facilities. All operations are carried out online under regulatory environment and accordingly are in compliance with rules and regulations. Our operations are seamless and communication with clients happens through mailers and text messages, thus creating minimal impact on the environment.

   Considering the nature of business of the company, the said principle may not be strictly applicable to the Company. However, the Company endeavours to serve social and economic opportunities, through its products.

2. **For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):**

   Considering the nature of business of the Company and the products/initiatives referred to above, some of the questions below are not applicable to the Company.

   i. Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

      N.A.

   ii. Reduction during usage by consumers (energy, water) has been achieved since the previous year?

      Please refer to the response under Principle 6.

   iii. Since, the Company is not involved in manufacturing activity, the reporting on use of energy, water, raw material etc is not applicable.

      However, the information pertaining to various measures adopted by the Company in relation to conservation of energy are provided in "**Annexure IV to Director's Report"**

3. **Does the Company have procedures in place for sustainable sourcing (including transportation)?**

   Since the Company is not involved in any manufacturing activity, the reporting on sustainable sourcing is not applicable. The only raw material required is the fund for which possible sources have been trapped at appropriate time to enable the Company to raise the required fund at competitive interest rates.

4. **Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?**

   The Company wherever practically possible and feasible, has tried to improve the capacity and capability of local and small vendors by patronising them to supply / provide different services required for day to day administration / operation.

5. **Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.**

   Since the Company is not involved in any manufacturing activity, the reporting on recycle mechanism is not applicable. However, the solid waste management is done by recycling paper, tissue, plastic bottles and cardboard waste. Further, the IT wastes are outsourced to vendor which disposes off the wastes as per proper waste disposal mechanism. Also the old papers and documents are scrapped in such a manner such that they may be recycled.

Principle 3: Business should promote the wellbeing of all employees

At 5paisa, we believe that a motivated work force defines the growth potential of an organisation. Building and enhancing the talent pool has always been a top priority initiative. The Group has been successful in attracting varied talent that brings sound expertise, new perspectives and enthusiasm to the job. We have adopted various, policies, procedures, manuals and conducted various training programs, throughout the year, for the protection and welfare of the employees.

5paisa promotes work-life balance approach. The Company has taken various initiatives for the welfare of the employees like leaves, Insurance coverage, Health Checkups, Off sites etc.

1. **Please indicate the Total number of employees.**

   The total number of employee as on March 31, 2020 is 585.

2. **Please indicate the Total number of employees hired on temporary/contractual/casual basis**.

   The total number of employees hired on temporary/contractual/casual basis as on March 31, 2020 is 322.

3. **Please indicate the Number of permanent women employees.**

   The total number of women employees as on March 31, 2020 is 135.

4. **Please indicate the Number of permanent employees with disabilities**

   There are no employees with disability working with the Company and its subsidiaries. However, 5paisa provides equal opportunity to all and does not discriminate on the basis of disabilities.

5. **Do you have an employee association that is recognised by management**.

   There is no employee association. However, mechanisms are in place for employees to represent their issues, if any, and the same is resolved amicably.

6. **What percentage of your permanent employees is members of this recognised employee association?**

   Not Applicable

7. **Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.**

No.	Category	No of Complaints during the Financial Year	No of Complaints pending at the end of the Financial Year
1.	Child labour/forced labour/ involuntary labour	The Company and its subsidiaries does not support child labour, forced labour or involuntary labour- There are no reported case of Child labour, forced labour or involuntary labour	Not Applicable
2.	Sexual harassment	Nil	Nil
3.	Discriminatory employment	Nil	Nil

8. **What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?**

   5paisa is taking continuous efforts in providing various platforms to all its employees (permanent, casual, contractual, temporary) to upgrade their innate skills and learn new things.

   5paisa also encourages its employees to obtain various certifications like NISM certifications, NCFM certifications required as per Regulatory guidelines.

   (a) Permanent Employees

   All the permanent employees of the Company and its Subsidiaries (including women employees) have received training last year. Employees undergo fire drill and fire safety training and other skill up-gradation training every year.

   (b) Permanent Women Employees

   All the permanent women employees of the Company and its Subsidiaries have received training last year. Employees undergo fire drill and fire safety training and other skill up-gradation training every year.

   (c) Casual/Temporary/Contractual Employees

   All the Casual/Temporary/Contractual employees have undergone fire drill and fire safety training and other skill up-gradation training every year.

   (d) Employees with Disabilities

   The Company did not have any employees with disabilities in employment during the year.

Principle 4: Business should respect the interests of, and be responsive towards all stakeholders especially those who are disadvantaged, vulnerable and marginalised

1. **Has the Company mapped its internal and external stakeholders?**

   Yes

   The Group engages with various stakeholders viz. employees, customers, clients, investors, shareholders, government and regulatory bodies, business associates, media, social organisation, etc. on a regular basis. The process of mapping of stakeholders is an ongoing exercise and is conducted on regular basis.

2. **Out of the above, has the Company identified the disadvantaged, vulnerable & marginalised stakeholders.**

   The provisions pertaining to Corporate Social Responsibility are not applicable as the Company has been incurring losses. However, in order to promote and ensure good Corporate Governance practice and in order to educate prospective investors, we have started educational series i.e. "5paisa School" to understand various concepts of Capital Markets.

3. **Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalised stakeholders. If so, provide details thereof, in about 50 words or so.**

   In order to educate prospective investors, 5paisa Capital has started an educational series i.e. "5P School". Through 5P school, we educate the customers in simple and easy to understand language about various concepts of capital markets so as to equip them with adequate knowledge for trading in the securities market. We have four modules with 13 courses and 64 chapters explaining concepts pertaining to equity, derivative, technical analysis, fundamental analysis and mutual funds. To make the entire learning experience more effective we have also added short learning videos.

Principle 5: Business should respect and promote human rights

1. **Does the policy of the Company on human rights cover only the Company or extend to the Group/ Joint Ventures/Suppliers/Contractors/NGOs/ Others?**

   To respect and understand the Human Rights and address the potential human rights threats and violation is important responsibility of any organisation. The Group has adopted several policies viz. Code of conduct, Policy against Sexual harassment, Whistle Blower Policy etc. which ensures that there are no violation of human rights in its conduct – externally or internally.

   The Group adheres to all statues which embody the principles of human rights such as non-discrimination, prevention of child labour, prevention of sexual harassment, equal employment opportunities, etc. the Group is committed to a work environment in which all individuals are treated with fairness, respect and dignity. Persons not directly connected to the Company viz., an outside vendor, consultant, supplier or clients are also expected to comply with principles of human rights in all respects.

2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

   The Company has not received any complaint governing this principle.

Principle 6: Business should respect, protect and make efforts to restore the environment

1. **Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/others.**

   As mentioned under responses to Principle 2, given the nature of business of the Company this Principle is not largely relevant. However, the Company and its subsidiaries are in compliance with applicable environmental regulations.

2. **Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.**

   The Company is engaged in the industry of providing services and not manufacturing of any goods, hence is a non-pollutant Company, however, as an environmentally responsible and friendly corporate, our Company has been striving towards imbibing green sustainable products, processes, policies and practices. The Company emphasizes on cost efficient environment – friendly measures and build awareness and consciousness of our environment among employees. Our offices have been designed such that they are equipped with energy efficient air conditioners, LED Lights and other energy conservation measures. The Company has been reducing dependence on paper communications and encourages use of electronic means of communication which serves towards environmental protection and sustainable growth.

3. **Does the Company identify and assess potential environmental risks?**

   Since the Company is not a manufacturing entity, the above question is not applicable.

4. **Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?**

   Since the Company is not a manufacturing entity, the above question is not applicable

5. **Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.**

   As mentioned above, 5paisa participates in several initiatives in the area of environment and sustainability. We have also taken several measures to minimise our environmental impact due to business travel. These measures include carpooling, company bus service, video / audio conferencing facilities at all major offices. Apart from this we have also moved to digitalisation platform wherein we save on paper and stationery.

6. **Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

   Since the Company is not a manufacturing entity, the above question is not applicable.

7. **Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year**

   Nil

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. **Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:**

   The Company is presently a member of Association of National Exchanges Members of India (ANMI) and BSE Brokers Forum (BBF).

2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**

   The Company has taken up the issues through the aforesaid trade associations, whenever there were issues or need particularly relating to trade policies, regulatory issues and development of financial services/capital markets.

Principle 8: Businesses should support inclusive growth and equitable development

1. **Does the Company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.**

   In order to educate prospective investors, 5paisa Capital has started an educational series i.e. “5P School”. Through 5P school, we educate the customers in simple and easy to understand language about various concepts of capital markets so as to equip them with adequate knowledge for trading in the securities market. We have four modules with 13 courses and 64 chapters explaining concepts pertaining to equity, derivative, technical analysis, fundamental analysis and mutual funds. To make the entire learning experience more effective we have also added short learning videos.

2. **Are the programmes/projects undertaken through in-house team/own foundation/external NGO/ government structures/any other organisation?**

   The provisions pertaining to Corporate Social Responsibility are not applicable as the Company has been incurring losses. However, in order to promote and ensure good Corporate Governance practice and in order to educate prospective investors, we have started educational series i.e. “5paisa School” to understand various concepts of Capital Markets.

3. **Have you done any impact assessment of your initiative?**

   Yes – Quarterly tracking is done to check the progress of the activities

4. **What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.**

   In order to educate prospective investors, 5Paisa Capital has started an educational series i.e. "5P School". Through 5P school, we educate the customers in simple and easy to understand language about various concepts of capital markets so as to equip them with adequate knowledge for trading in the securities market. We have four modules with 13 courses and 64 chapters explaining concepts pertaining to equity, derivative, technical analysis, fundamental analysis and mutual funds. To make the entire learning experience more effective we have also added short learning videos.

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

   In order to educate prospective investors, 5Paisa Capital has started an educational series i.e. "5P School". Through 5P school, we educate the customers in simple and easy to understand language about various concepts of capital markets so as to equip them with adequate knowledge for trading in the securities market. We have four modules with 13 courses and 64 chapters explaining concepts pertaining to equity, derivative, technical analysis, fundamental analysis and mutual funds. To make the entire learning experience more effective we have also added short learning videos.

Principle 9: Business should engage with and provide value to their customers and consumers in a responsible manner

1. **What percentage of customer complaints/consumer cases are pending as on the end of financial year.**

   The percentage of customer complaints pending as on the end of financial year-5%.

2. **Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information)**

   Since the Company is engaged in financial services sector, the above compliance requirements are not applicable. However, all necessary disclosure requirements relating to the services offered by 5paisa entities are complied with.

3. **Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.**

   The Company has not been served complaint with any activities involving unfair trade practices, irresponsible advertising and/ or anti-competitive behaviour during preceding five years which is pending as on the end of Financial Year i.e. March 2020.

4. **Did your company carry out any consumer survey/ consumer satisfaction trends?**

   The Company as a policy interacts with its clients for consumer survey/ consumer satisfaction trends. The Company keeps track of responses / comments on social media network.

Corporate Governance Report

This Corporate Governance Report relating to the year ended on March 31, 2020 has been issued in compliance with the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendment thereof and forms a part of the Report of the Directors to the Members of the Company.

1. OUR COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

5paisa Capital Limited ('the Company') follows the highest standards of governance and disclosure. The company firmly believes that adherence to business ethics and sincere commitment to corporate governance will help the Company achieve its vision of being the most respected Fintech Company in the financial services space in India. Since inception, the promoters have demonstrated exemplary track record of governance and utmost integrity. The Company is in compliance with the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. With the implementation of stringent employee code of conduct policy and adoption of a Whistle Blower Policy, the Company has moved ahead in its pursuit of excellence in corporate governance.

The Company's corporate governance philosophy is based on an effective independent Board, the separation of the Board's supervisory role from the executive management and the Board Committees. Our Board has Independent Directors, highly respected for their professional integrity as well as rich financial experience and expertise.

The Company also considers its stakeholders as partners in success, and the Company remains committed to maximising stakeholders' value.

2. BOARD OF DIRECTORS

(a) Composition of the Board of Directors as on March 31, 2020:

The Board of Directors ("Board") of the Company has an optimum combination of executive and non-executive directors (including two women independent directors). The Board provides leadership, strategic guidance and discharges its fiduciary duties of safeguarding the interest of the Company and its stakeholders.

None of the Directors of the Company are related to each other. The composition of the Board is as follows:

Category	Name of the Directors
Executive Directors	Mr. Prakarsh Gagdani (Whole Time Director & Chief Executive Officer)
	Mr. Santosh Jayaram (Whole Time Director)
Non-Executive Non Independent Director	Mr. Sarbeswar Lenka*
Independent Non – Executive Directors	Dr. Archana Niranjan Hingorani
	Ms. Nirali Sanghi
Whole Time Director	Mr. Gourav Munjal
Additional Non-Executive Independent Director	Mr. Milin Mehta*

Note: Mr. Sarbeswar Lenka has resigned as a Non-Executive Director w.e.f. close of working hours of March 31, 2020 and Mr. Milin Mehta has been appointed as an Additional Non-Executive and Independent Director w.e.f. April 01, 2020 in his place.

(b) Brief profiles of the Directors are as follows:

- **DR. ARCHANA NIRANJAN HINGORANI** – Chairman and Independent Director

  Dr. Archana Niranjan Hingorani is a Chairman and Independent Director of the Company. She holds a Bachelor's degree in Arts from the University of Mumbai, a Master's degree in Business Administration from the Graduate School of Business, University of Pittsburgh, USA and a doctorate degree in philosophy from the Joseph M. Katz Graduate School of Business, University of Pittsburgh, USA and a doctorate degree in philosophy from the Joseph M. Katz Graduate School of Business, University of Pittsburgh, USA. She has 23 years of experience in financial services and private equity fund investment. Prior to joining the Company, she was associated with the IL&FS Group until 2017, in various capacities, including being the CEO of IL&FS Investment Managers Limited. She has been the recipient of various awards such as 'Ten most influential women in private real estate

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investing' by PERE in 2010, 'Most Powerful Women' in 2014, 2015, 2016 and 2017 by Fortune India, 'Most Powerful Women' in 2011, 2012 and 2013 by Business Today, '25 Most Influential Women in Asia Asset Management' by Asian Investor in May, 2014, and 'Distinguished International Alumnus' in the year 2016 by the Katz Graduate School of Business, University of Pittsburgh, USA.

Expertise in specific functional areas	Business Management and Finance
List of Directorship held in other listed Companies	**Name of the Company** / **Category of Directorship** Alembic Pharmaceuticals Limited – Non-Executive Independent Director DEN Networks Limited – Non-Executive Independent Director Grindwell Norton Limited – Non-Executive Independent Director
No. of shares held in the Company	Nil

- **MR. PRAKARSH GAGDANI –** Whole Time Director & Chief Executive Officer

Mr. Prakarsh Gagdani is the Whole Time Director and Chief Executive Officer of the Company. He holds a post graduate diploma degree in business management and has done his bachelors in Business Management from Mulund College of Commerce, Mumbai University. He has about eighteen (18) years of cross functional experience in sales, advisory, product development and business development. He has gained expertise in retail equity broking domain and is a keen strategist with expertise in managing the entire business and ensuring optimal utilisation of resources. In the past, he was associated with Angel Broking Limited for about twelve (12) years.

Expertise in Specific Functional Areas	Business Management, Corporate Strategy and Retail Equity Broking
List of Directorship held in other Companies	**Name of the Company** / **Category of Directorship** 5paisa P2P Limited – Non-Executive Director 5paisa Insurance Brokers Limited – Non-Executive Director 5paisa Trading Limited – Executive Director
No. of shares held in the Company	30,490

Note: Mr. Prakarsh Gagdani is not a Director in any other listed entity. Hence his directorship in other public/private companies are provided.

- **MR. MILIN MEHTA-** Additional Non-Executive and Independent Director

Mr. Milin Mehta has been appointed as an Additional Non-Executive and Independent Director w.e.f. April 01, 2020, in place of Mr. Sarbeswar Lenka, who ceased to be a Director w.e.f. close of working hours of March 31, 2020.

Mr. Milin Mehta, is a Chartered Accountant and is a senior partner of K. C. Mehta & Co. Chartered Accountants (Baroda, Mumbai, Ahmedabad and Banglore), 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. 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. Mehta was also a member of the Committee set up by the Central Board of Direct Taxes 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 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.

Expertise in specific functional areas	Accounts, Finance and Taxation
List of Directorship held in other listed Companies	**Name of the Company** / **Category of Directorship** VA Tech Wabag Limited – Non-Executive Independent Director Shaily Engineering Plastics Limited – Non-Executive Independent Director
No of shares held in the Company	Nil

- **MS. NIRALI SANGHI** - Independent Director

Ms. Nirali Sanghi is an Independent Director of our Company. She founded India Parenting Private Limited. in 1999 and serves as its Chief Executive Officer and President. Prior to that, she served at Erstwhile Baring Brothers (New York), Citibank (New York and Mumbai) and The Boston Consulting Group (Mumbai). Ms. Sanghi spent nine years in the United States where she received her Bachelors in Economics and Computer Science from Barnard College, Columbia University (New York, USA) and M.B.A in Finance and Marketing from Columbia Business School (New York, USA).

Expertise in specific functional areas	Corporate Strategy, Finance, Product Design and Marketing
List of Directorship held in other Companies	**Name of the Company** / **Category of Directorship** India Parenting Private Limited – Director
No. of shares held in the Company	Nil

Note: Ms. Nirali Sanghi is not a Director in any other listed entity. Hence her directorship in other public/private companies is provided

- **MR. SANTOSH JAYARAM** - Whole Time Director

Mr. Santosh Jayaram is Whole Time Director of the Company. He holds a B. Tech degree and a Master's degree in business management from NMIMS University, Mumbai. He has been associated with 5paisa Capital Limited and IIFL Group since May 2011. He has an experience in area of business process re-engineering, digitalisation, product development, mobile application development and user experience management.

Expertise in Specific Functional Areas	Operations and Business Development
List of Directorship held in other Companies	**Name of the Company** / **Category of Directorship** 5paisa P2P Limited – Non-Executive Director 5paisa Insurance Brokers Limited – Non-Executive Director 5paisa Trading Limited – Executive Director
No. of shares held in the Company	Nil

Note: Mr. Santosh Jayaram is not a Director in any other listed entity. Hence his directorship in other public/private companies are provided.

- **MR. GOURAV MUNJAL –** Whole Time Director

  Mr. Gourav Munjal has been appointed as an Whole Time Director of the company at the Board Meeting held on January 16, 2020. He is also the Chief Financial Officer of the Company. He holds a bachelor's degree in Commerce from Kurukshetra University and is a qualified Chartered Accountant, Company Secretary and a Diploma holder in IFRS from the Association of Chartered Certified Accountants (ACCA). He has 9 years of experience in the field of accounts and finance. Before joining the Company, he was associated with IIFL Group and has handled finance and accounts functions in the Company.

Expertise in Specific Functional Areas	Accounts, Finance and Taxation	
List of Directorship held in other Companies	**Name of the Company**	**Category of Directorship**
	Nil	Nil
No. of shares held in the Company	Nil	

(c) Matrix chart of core skills/expertise /competencies of the Board members

The Board of Directors of the Company have adopted the policy on Board Diversity. It seeks to maintain a Board comprised of talented and dedicated directors with a diverse mix of expertise, experience, skills and backgrounds. For purposes of Board composition, diversity includes, but is not limited to, educational and functional background, industry experience, geography, age, insider status, gender, and ethnicity. The skills and backgrounds collectively represented on the Board reflect the diverse nature of the business environment in which the Company operates. Accordingly, a matrix chart setting out the core skills, experience, and competencies of the Board of Directors is mentioned below:

Technical skills/experience/ competencies	Dr. Archana Hingorani	Mrs. Nirali Sanghi	Mr. Prakarsh Gagdani	Mr. Santosh Jayaram	Mr. Sarbeswar Lenka	Mr. Gourav Munjal	Mr. Milin Mehta
Knowledge of the Sector	√	√	√	√	√	√	√
Accounting and Finance	√	√	√	√	√	√	√
Corporate Governance and Compliances		√	√	√	√	√	√
Marketing experience			√	√			
Strategy development and implementation	√	√	√	√	√	√	√
Information Technology			√	√			
Stakeholders Relationship	√	√	√	√	√	√	√
Risk Management System	√	√	√	√	√	√	√
CEO/Senior Management Experience /Leadership	√	√	√	√	√	√	√

The Board of the Company has the necessary Skills/Expertise/ Competence in all the above mentioned areas.

(d) Board Meetings and Directorship / Committee membership(s) of Directors

During the FY 2019-20, Five (5) Board Meetings were held on the following dates: April 16, 2019, July 09, 2019, July 16, 2019, October 21, 2019 and January 16, 2020.

As mandated by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendment thereof none of the Directors on the Board of the Company is Member of more than ten (10) specified Committees and none is a Chairman of more than five (5) specified Committees across all the Indian Public Limited companies in which they are Directors. The Company has received necessary disclosures from all the Directors regarding

Committee positions held by them in other Companies. The table below gives the details of the names of the members of the Board, their status, their attendance at the Board Meetings and the last AGM, their Directorships, Committee Memberships and Chairmanships in Indian Companies as on March 31, 2020. It excludes Directorships of Private Limited Companies, Foreign Companies and Section 8 Companies:

Name of the Director (DIN)	Date of appoint-ment/re-ap-pointment	Category	Number of board meeting attended during the year	Attend-ance at last AGM	Directorships in Indian Public Limited companies (Including 5paisa Capital Limited)		Membership of Committees (including of 5paisa Capital Limited)^	
					Director	Chairman	Member	Chairman@
Dr. Archana Niranjan Hingorani (DIN: 00028037)	07/06/2017	Independent Director	05	Yes	04	01	04	02
Mr. Prakarsh Gagdani (DIN: 07376258)	22/12/2018	Whole Time Director and Chief Executive Officer	05	Yes	04	00	01	01
Ms. Nirali Sanghi (DIN:00319389)	11/01/2018	Independent Director	05	Yes	01	00	01	Nil
*Mr. Sarbeswar Lenka (DIN: 07306325)	18/07/2018	Non – Executive Director	04	Yes	01	00	01	Nil
Mr. Santosh Jayaram (DIN: 07955607)	11/01/2018	Whole Time Director	05	Yes	04	00	Nil	Nil
$Mr. Gourav Munjal (DIN: 06360031)	16/01/2020	Wholetime Director	NA	NA	01	00	Nil	Nil
*Mr. Milin Mehta (DIN: 01297508)	01/04/2020	Additional Non-Executive and Independent Director	NA	NA	06	00	01	Nil

Note:

1. *Mr. Sarbeswar Lenka ceased to be Non-Executive Director of 5paisa Capital Limited w.e.f. close of working hours of March 31, 2020 and Mr. Milin Mehta was appointed as an Additional Non-Executive Director in place of Mr. Sarbeswar Lenka w.e.f. April 01, 2020 by the Board subject to approval of Shareholders at AGM.
2. ^The committees considered for the above purpose are those prescribed in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as amended viz. Audit Committee and Stakeholders Relationship Committee.
3. @This is in addition to the number of committees in which the director is designated as a committee member.
4. $ Mr. Gourav Munjal was appointed as an Whole Time Director w.e.f. January 16, 2020.

(e) Board Level Performance Evaluation:

The Nomination and Remuneration Committee has laid down the criteria for performance evaluation of Executive Directors, Non-Executive Directors including Independent Directors ("IDs") and Board as a Whole.

The criteria for performance evaluation are as under:

For Chairman:

The criteria for evaluation of Chairman, *inter alia*, includes his ability to conduct meetings, ability to elicit inputs from all members, ability to table and openly discuss challenging matters, attendance at meetings, assistance to board in formulating policies and setting standards, accessibility, ability to analyze strategic situations, ability to project positive image of the Company, compliance with regulatory requirements.

For Executive Directors:

The criteria for evaluation of Executive Directors, *inter alia,* includes their ability to elicit inputs from all members, ability to table and openly discuss challenging matters, attendance and participation at meetings, integrating quality and re-engineering, capitalise on opportunities created by economic and technological changes, assistance to board in formulating policies and setting standards and following them, accessibility, ability to analyze strategic situations, ability to project positive image of the Company, compliance with regulatory requirements, handling critical situations concerning the group.

For Non-Executive Directors (including Independent Directors):

The criteria for evaluation of Non-Executive Directors, *interalia,* includes attendance at the meetings, study of agenda and active participation, contribution to discussions on strategy, participate constructively and actively in committees of the Board, exercise of skills and diligence with due and reasonable care and to bring independent judgment to the Board, ability to bring in best practices from his / her experience, adherence to the code of conduct.

For Board as a whole:

The criteria for evaluation of the Board, *inter alia,* includes composition and diversity, induction programme, team work, performance culture, risk management and financial controls, integrity, credibility, trustworthiness, active and effective participation by members.

(f) Separate meetings of the Independent Directors:

In compliance with the provisions of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate meeting of Independent Directors of the Company was held on March 31, 2020, *inter alia,* to discuss the following:

- To review the performance of non-independent directors and the Board as a whole;
- To review the performance of the Chairman of the Company;
- To 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 their duties.

Upon the conclusion of the meeting, the Independent Directors expressed their satisfaction over the performance of the other directors and the Board as a whole. They also expressed their satisfaction over the quality, quantity and flow of information between the company management and the Board / Committees of the Board from time to time.

(g) Familiarisation programme for Independent Directors:

The Board members are provided with necessary documents/brochures, reports and internal policies to enable them to familiarise with the Company's procedures and practices. Periodic presentations are made at the Board and Board Committee Meetings, on business and operations of the Company as well as the Group. Quarterly updates on relevant statutory changes are discussed at the Board meetings. The details of such familiarisation programmes of the Company may be accessed on the Company's website at the link www.5paisa.com/investor-relations.

(h) Meetings of the Board:

➢ Frequency: The Board meets at least once a quarter to review the quarterly results and other items of the Agenda. Whenever necessary, additional meetings are held. In case of business exigencies or matter of urgency, resolutions are passed by circulations, as permitted by law, which are confirmed in the next Board Meeting.

➢ Board Meeting Location**:** The location of the Board / Committee Meetings is informed well in advance to all the Directors. Each Director is expected to attend the Board / Committee Meetings.

- Notice and Agenda distributed in advance: The Company's Board / Committees are presented with detailed notes, along with the agenda papers which are being circulated well in advance of the Meeting. The Company has implemented App based e-meeting system accessible through secured iPads provided to the directors and key officials. The agenda, presentation, notes and minutes are made available to the Board and Committee members. The Company Secretary in consultation with the Chairman of the Board / Committees sets the Agenda for the Board / Committee Meetings. All material information is incorporated in the Agenda for facilitating meaningful and focused discussions at the Meeting. Where it is not practical to attach any document to the Agenda, the same is tabled before the Meeting with specific reference to this effect in the Agenda. In special and exceptional circumstances, additional or supplementary items on the Agenda are permitted. The Board periodically reviews compliance reports of laws applicable to the Company, prepared and placed before the Board by the Management.
- Other Matters: The senior management team of the Company is advised to schedule its work plans in advance, particularly with regard to matters requiring discussions/ decision with the Board/ committee Members.
- Presentations by Management: The Board / Committee is given presentations, wherever practicable covering finance, sales, marketing, major business segments and operations of the Company, global business environment including business opportunities, business strategy, risk management practices and operating performance of the Company before taking on record the financial results of the Company.
- Access to employees: The Directors are provided free access to officers and employees of the Company. Whenever any need arises, the Board / Committee Members are at liberty to summon the personnel whose presence and expertise would help the Board to have a full understanding of the issues being considered.

(i) Information Supplied to the Board / Committees:

Among others, information supplied to the Board / Committees includes:

- Annual operating plans of the businesses and budgets and any update thereof.
- Capital budgets and any updates thereof.
- Quarterly and half yearly results of the Company as per the format prescribed in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- Minutes of the Meetings of the Board and all other Committees of the Board.
- The information on recruitment and remuneration of senior officers just below the Board level, including the appointment or removal, if any, of Chief Financial Officer and Company Secretary.
- Status of important/material litigations etc.
- Show cause, demand, prosecution notices and penalty notices, which are materially important.
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- Any material default in financial obligations to and by the Company
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgment or order, which may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company.
- Details of any joint venture or collaboration agreement.
- Transactions that involve substantial payment towards royalty, goodwill, brand equity or intellectual property.
- Any significant development in human resources / industrial relations front, as and when it occurs.
- Sale of material nature of investments, assets which are not in the normal course of business.

- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
- Compliance status of any regulatory, statutory nature or listing requirements and shareholders' service, if any, and others and steps taken by company to rectify instances of non-compliances, if any.

(j) **Minutes of the Meetings:** The draft Minutes of the proceedings of the Meetings are circulated amongst the Members of the Board / Committees. Comments and suggestions, if any, received from the Directors are incorporated in the Minutes, in consultation with the Chairman of the Board. The Minutes are confirmed by the Members and signed by the Chairman at the next Board / Committee Meetings. All Minutes of the Committee Meetings are placed before the Board Meeting for perusal and noting.

(k) **Post meeting follow-up mechanism:** The Company has an effective post meeting follow-up review and reporting process for the decisions taken by the Board and Committee(s) thereof. The important decisions taken at the Board / Committee(s) Meetings which calls for actions to be taken are promptly initiated and wherever required, communicated to the concerned departments/ divisions. The action taken report is placed at the immediately succeeding Meeting of the Board / Committee(s) for information and review by the Board/ Committee(s).

3. COMMITTEES OF BOARD:

The Board has constituted the following Committees to take informed decisions in the best interests of the Company. These Committees monitor the activities falling within their terms of reference. Specific terms of reference laid out of these Committees and reviewed annually:

A. Audit Committee

B. Nomination and Remuneration Committee

C. Stakeholders Relationship Committee

D. Finance Committee

A. Audit Committee

Composition:

The present Audit Committee of your Company comprises of three Independent Directors (Dr. Archana Niranjan Hingorani, Mrs. Nirali Sanghi and Mr. Milin Mehta). Dr. Archana Niranjan Hingorani, an Independent Director, is the Chairman of the Committee. All the members of the Audit Committee are financially literate and possess thorough knowledge of the financial services industry.

Broad Terms of Reference of the Audit Committee

The scope of the Audit Committee includes the references made under Regulation 18 read with part C of schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as well as section 177 and other applicable provisions of Companies Act, 2013 besides the other terms that may be referred by the Board of Directors. The Broad terms of reference of the Audit Committee are:

a) Oversight of our Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

b) Recommendation for appointment, re-appointment and replacement, remuneration and terms of appointment of auditors of our Company;

c) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;

d) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:

   i) Matters required to be included in the director's responsibility statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;

ii) Changes, if any, in accounting policies and practices and reasons for the same;

iii) Major accounting entries involving estimates based on the exercise of judgment by management;

iv) Significant adjustments made in the financial statements arising out of audit findings;

v) Compliance with listing and other legal requirements relating to financial statements;

vi) Disclosure of any related party transactions; and

vii) Qualifications/ modified opinions in the draft audit report.

e) Reviewing, the quarterly financial statements with the management before submission to the Board for approval;

f) Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

g) Review and monitor the auditor's independence and performance, and effectiveness of audit process;

h) Approval or any subsequent modification of transactions of our Company with related parties;

i) Scrutiny of inter-corporate loans and investments;

j) Valuation of undertakings or assets of our Company, wherever it is necessary;

k) Evaluation of internal financial controls and risk management systems;

l) Monitoring the end use of funds raised through public offers and related matters, if any;

m) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

n) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

o) Discussion with internal auditors of any significant findings and follow up there on;

p) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

q) Discussion with statutory auditors before the commencement of the audit, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

r) The Audit Committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the company;

s) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

t) To establish and review the functioning of the whistle blower mechanism;

u) Approval of appointment of the Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;

v) Related Party Transactions:

i) all related party transactions shall require prior approval of the Audit Committee.

1. the Audit Committee may grant omnibus approval for related party transactions proposed to be entered into by the Company subject to the following conditions, namely:

2. the criteria for granting the omnibus approval shall be specified which shall be in line with the Company's policy on related party transactions and such approval shall be the based on the factors namely repetitiveness of the transactions (in past or in future) and the justification for the need of omnibus approval;

3. 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 the Company;

4. such omnibus approval shall not be made for transactions in respect of selling or disposing of the undertaking of the Company.

ii) the omnibus approval shall specify:

1. 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;

2. the extent and manner of disclosures to be made to the Audit Committee at the time of seeking omnibus approval;

3. the indicative base price or current contracted price and the formula for variation in the price if any;

4. such other conditions as the Audit Committee may deem fit.

Provided that where the need for related party transaction cannot be foreseen and aforesaid details are not available, committee may grant omnibus approval for such transactions subject to their value not exceeding ₹ 1 crore per transaction;

iii) the Audit Committee shall review, at least on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approvals given;

iv) 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;

v) 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 the company and placed before the shareholders at the general meeting for approval.

w) Review of:

i) management discussion and analysis of financial condition and results of operations;

ii) statement of significant related party transactions (as defined by the audit committee), submitted by management;

iii) management letters / letters of internal control weaknesses issued by the statutory auditors;

iv) internal audit reports relating to internal control weaknesses;

v) the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee;

vi) statement of deviations including:

1 quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI Listing Regulations;

2 annual statement of funds utilised for purposes other than those stated in the offer document/ prospectus/notice in terms of Regulation 32(7) of the SEBI Listing Regulations;

vii) The utilisation of loans and/or advances from/investment by the holding company in the subsidiary > ₹ 100 crores 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.

x) 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 the company;

y) Carrying out any other terms of reference as may be decided by the Board or specified/ provided under the CA 2013 or the SEBI Listing Regulations or by any other regulatory authority.

Meeting and Attendance

During the period under review, the Audit Committee of the Company met four (4) times on April 16, 2019, July 16, 2019, October 21, 2019 and January 16, 2020. The necessary quorum was present at the meetings. The gap between two Audit Committee Meetings was not more than 120 days.

The Audit Committee was constituted on March 31, 2017 and the same was last reconstituted on April 01, 2020 with appointment of Mr. Milin Mehta on Board in place of Mr. Sarbeswar Lenka. The attendance of each member of the committee at the Meeting of Committee as on March 31, 2020 is given below:

Name of the members	Designation	Non-Executive/ Executive / Independent	No. of committee meetings held	Committee meeting attended
Dr. Archana Niranjan Hingorani	Chairman	Independent	04	04
Ms. Nirali Sanghi	Member	Independent	04	04
#Mr. Sarbeswar Lenka	Member	Non-Executive	04	03
#Mr. Milin Mehta	Member	Independent	04	NA

Note**:** #Mr. Sarbeswar Lenka ceased to be Non-Executive Director on the Board of 5paisa Capital Limited w.e.f. close of working hours of March 31, 2020 and Mr. Milin Mehta was appointed as an Additional Non-Executive and Independent Director w.e.f. April 01, 2020 and has also been appointed as member of Audit Committee w.e.f. April 01, 2020 subject to approval of Shareholders in AGM

Audit Committee meetings are attended by the Chief Financial Officer of the Company and representatives of Statutory Auditors and Internal Auditors, if required. The Company Secretary acts as the Secretary of the Audit Committee.

The Chairman of the Audit Committee was present at the last Annual General Meeting of the Company held on September 30, 2019.

B. Nomination and Remuneration Committee

Composition:

The Nomination and Remuneration Committee of your Company comprises of three Independent Directors (Dr. Archana Niranjan Hingorani, Ms. Nirali Sanghi and Mr. Milin Mehta). Ms. Nirali Sanghi, an Independent Director, is the Chairman of the Committee.

The Nomination and Remuneration Committee was constituted on March 31, 2017 and the same was last reconstituted on April 01, 2020 pursuant to appointment of Mr. Milin Mehta in place of Mr. Sarbeswar Lenka as an Additional Non-Executive and Independent Director.

The Broad terms of reference of Nomination and Remuneration Committee

The terms of reference of Nomination and Remuneration Committee are as per the Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 178 of the Companies Act, 2013. The board terms of reference of the Nomination and Remuneration Committee are as follows:

1. Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors.
2. Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees and while formulating this policy ensure that:
    a) Level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run our Company successfully;
    b) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
    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 our Company and its goals and ensure that the policy is disclosed in the Board's report.
3. Identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director`s performance;
4. Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors;
5. Devising a policy on diversity of the Board of Directors.

The Nomination and Remuneration Committee shall also administer the Company's employee stock option plans. The stock options granted by the Committee are disclosed in detail in the Directors' Report.

Attendance and Meeting:

During the year under review, the Nomination and Remuneration Committee of the Company met Three (3) times during the last financial year on April 16, 2019, July 16, 2019, and October 21, 2019. The necessary quorum was present at the meetings.

The details of attendance of each member of the committee at the Meeting of Committee is given below:

Name of the members	Designation	Non-Executive/ Executive/ Independent	No. of committee meetings held	Committee meeting attended
Ms. Nirali Sanghi	Chairman	Independent	03	03
Dr. Archana Niranjan Hingorani	Member	Independent	03	03
#Mr. Sarbeswar Lenka	Member	Non-Executive	03	03
#Mr. Milin Mehta	Member	Independent Director	03	NA

Note: #Mr. Sarbeswar Lenka ceased to be Non-Executive Director on the Board of 5paisa Capital Limited w.e.f. close of working hours of March 31, 2020 and Mr. Milin Mehta was appointed as an Additional Non-Executive and Independent Director w.e.f. April 01, 2020 and he has also been appointed as the member of the committee w.e.f. April 01, 2020.

The Company Secretary of the Company acts as the Secretary to the Committee.

The Chairman of the Nomination and Remuneration Committee was present at the last Annual General Meeting of the Company held on September 30, 2019.

The Board of Directors of the Company has approved Nomination & Remuneration Policy of the Company, which sets out the guiding principles for appointment & remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. The detail of Nomination & Remuneration policy and remuneration paid to Directors is as follows:

a. Nomination and Remuneration Policy:

I. OBJECTIVE:

This policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been approved by the Nomination and Remuneration Committee (the Committee) and Board of Directors.

II. DEFINITIONS:

1. "Act" means the Companies Act, 2013 and Rules framed there under, as amended from time to time.
2. "Board" means Board of Directors of the Company.
3. "Key Managerial Personnel" (KMP) means:
   - Managing Director, or Chief Executive Officer or Manager;
   - Whole-time Director;
   - Chief Financial Officer;
   - Company Secretary; and such other officer as may be prescribed.
4. "Research Analysts" shall have the same meaning as defined under the SEBI (Research Analysts) Regulation, 2014 as amended from time to time.
5. "Senior Management" means the personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 / Listing agreement (wherever applicable) as may be amended from time to time shall have the meaning respectively assigned to them therein.

III. Role Of Committee:

1. Formulation of criteria for evaluation of performance of independent directors and the board of directors;
2. Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees and while formulating this policy ensure that –

   (i) Level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run our Company successfully;

   (ii) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

(iii) Remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of our Company and its goals and ensure that the policy is disclosed in the Board's report

3. Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance;

4. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors; and

5. Devising a policy on diversity of the board of directors.

IV. Appointment and Removal of Directors, Key Managerial Personnel and Senior Management:

1. Appointment Criteria and Qualifications:

a) A person being appointed as director, KMP or in senior management should possess adequate qualification, expertise and experience for the position he/she is considered for appointment.

b) Independent Director:

(i) Qualifications of Independent Director:

An Independent Director shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, operations or other disciplines related to the company's business

(ii) Positive attributes of Independent Directors:

An Independent Director shall be a person of integrity, who possesses relevant expertise and experience and who shall uphold ethical standards of integrity and probity; act objectively and constructively; exercise his responsibilities in a bona-fide manner in the interest of the company; devote sufficient time and attention to his professional obligations for informed and balanced decision making; and assist the Company in implementing the best corporate governance practices.

2. Removal:

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations there under, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

3. **Retirement:**

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

V. **Remuneration:**

A. **Directors:**

1. **Executive Directors (Managing Director, Manager or Whole Time Director):**

(i) At the time of appointment or re-appointment, the Executive Directors shall be paid such remuneration as may be mutually agreed between the Company (which includes the N&R Committee and the Board of Directors) within the overall limits prescribed under the Companies Act, 2013.

(ii) The remuneration shall be subject to the approval of the Members of the Company in General Meeting as per the requirement of the Companies Act, 2013.

(iii) The remuneration of the Manager/ CEO/ Managing Director/ Whole Time Director is broadly divided into fixed and incentive pay reflecting short-term and long- term performance objectives appropriate to the working of the Company. In determining the remuneration (including the fixed increment and performance bonus), the Committee shall consider the following:

- the relationship of remuneration and performance benchmark;
- balance between fixed and incentive pay reflecting short and long term performance objectives, appropriate to the working of the Company and its goals;
- responsibility required to be shouldered, the industry benchmarks and the current trends;
- The Company's performance vis-à-vis the annual budget achievement and individual performance.

2. **Non-Executive Director:**

(i) The Non-Executive and Independent Director may receive fees for attending meeting of Board or Committee thereof. Provided that the amount of such fees shall not exceed Rupees One Lac per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

(ii) A Non-Executive Director may be paid commission on an annual basis, of such sum as may be approved by the Board on the recommendation of the Committee.

(iii) The Committee may recommend to the Board, the payment of commission, to reinforce the principles of collective responsibility of the Board.

(iv) In determining the quantum of commission payable to the Directors, the Committee shall make its recommendation after taking into consideration the overall performance of the Company and the onerous responsibilities required to be shouldered by the Director.

(v) The total commission payable to the Directors shall not exceed prescribed limits as specified under Companies Act, 2013.

(vi) The commission shall be payable on pro-rata basis to those Directors who occupy office for part of the year.

B. KMP & Senior Managerial Personnel:

The remuneration to the KMP and Senior Management Personnel will be based on following guidelines:

1. Maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company;
2. Compensation should be reasonable and sufficient to attract, retain and motivate KMP and senior management;
3. Remuneration payable should comprise of a fixed component and a performance linked variable based on the extent of achievement of individual performance *vis-a-vis* overall performance of the Company;
4. Remuneration shall be also considered in the form of long -term incentive plans for key employees, based on their contribution, position, and length of service, in the nature of ESOPS/ESPS.

C. Research Analysts:

(i) The compensation of all individuals employed as Research Analyst shall be reviewed, documented and approved at least annually by the Committee.

(ii) While approving the compensation of the Research Analysts, the Committee shall not consider:

a. Any specific brokerage services transaction which might have happened because of the services of the Research Analyst; and

b. Any contribution made by the Research Analyst to brokerage services business other than that of preparing and / or providing research reports.

VI. EVALUATION:

The Committee shall carry out evaluation of performance of every Director at regular interval (yearly). The Committee shall also formulate and provide criteria for evaluation of Independent Directors and the Board as a whole, if applicable.

VII. OTHER DETAILS:

Membership

The Committee shall consist of minimum 3 non-executive directors, majority of them being independent. The Chairman of the Committee shall be an Independent Director. The Chairman of the Company shall not be a Chairman of the Committee. The term of the Committee shall be continued unless terminated by the Board of Directors.

Frequency of Meetings

The meeting of the Committee shall be held at such regular intervals as may be required. The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

Secretary

The Company Secretary of the Company shall act as Secretary of the Committee. In absence of Company Secretary, the Committee may designate any other officials or any of the members of the Committee who shall act a Secretary of the Committee.

b. **Details of Remuneration paid to Directors during FY 2019-20 and details of number of shares and convertible instruments held by Directors as on March 31, 2020 is as under:**

Name of the Director	Designation	Salary and perquisite (In ₹)	Commission (In ₹)	Sitting Fees (In ₹)	Contribution to PF and other funds	Stock options (In Quantity)	No. of equity shares held
Mr. Prakarsh Gagdani	Whole Time Director and Chief Executive Officer	9,926,546	Nil	Nil	Nil	450,000	30,490
Mr. Santosh Jayaram	Whole-Time Director	3,183,155	Nil	Nil	Nil	50,000	Nil
Mr. Gourav Munjal	Whole Time Director	3,323,989	Nil	Nil	Nil	40,000	Nil
^Mr. Sarbeswar Lenka	Non-Executive Director	Nil	Nil	2,70,000	Nil	Nil	Nil
Dr. Archana Niranjan Hingorani	Independent Director	Nil	Nil	3,90,000	Nil	Nil	Nil
Ms. Nirali Sanghi	Independent Director	Nil	Nil	3,60,000	Nil	Nil	Nil

Note:

1. ^Mr. Sarbeswar Lenka ceased to be Non-executive Director on the Board of 5paisa Capital Limited w.e.f. close of working hours of March 31, 2020 and Mr. Milin Mehta was appointed as an Additional Non-Executive and Independent Director on the Board of 5paisa Capital Limited vide circular resolution dated April 01, 2020 subject to approval of Shareholders in AGM.
2. Mr. Gourav Munjal was appointed as an Whole Time Director w.e.f. January 16, 2020 subject to approval of Shareholders in AGM.
3. For details related to stock options request you to refer disclosure under regulation 14 disseminated on the website of the Company at www.5paisa.com.

c. **Remuneration to Non-Executive/ Independent Directors:**

During the year under review, the Independent Directors and Non-Executive Directors were paid ₹ 30,000/- (Rupees Thirty Thousand only) towards sitting fees for attending each of the Board Meeting, Audit Committee Meeting and Independent Director's Meeting and also were paid ₹ 15,000/- (Rupees Fifteen Thousand only) towards attending each of the other committee meetings plus the reimbursement directly related to the actual travel and out-of-pocket expenses, if any, incurred by them. The Company has not granted any Employee Stock Options to the Independent Directors and Non-Executive Director. There are no pecuniary relationships or transaction of the Non-Executive directors with the Company.

The Company has obtained a Directors and Officers Liabilities Insurance policy covering all Directors and Officers of the Company in respect of any legal action that might be initiated against any Director or Officer of the Company.

C. Stakeholders Relationship Committee

Composition:

The Stakeholders Relationship Committee was constituted on October 13, 2017 and the same was latest reconstituted on January 11, 2018 and the Members of the Committee comprises of Ms. Nirali Sanghi, Independent Director, as the Chairman, Dr. Archana Niranjan Hingorani, Independent Director and Mr. Prakarsh Gagdani, Executive Director as the Members.

Scope and Functions:

The broad terms of reference of the committee are as under:

1. To consider and resolve stakeholders and investors grievances;
2. It shall consider and resolve the grievances of the security holders of the 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/ authorise the officers of the 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 the Company;
5. To review or address the complaints received by the 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 authorised officers of the Company in compliance investors for issues of duplicate/replacement/consolidation/sub-division and other purposes for the shares, debentures and securities of the Company;
7. To monitor and expedite the status and process of dematerialisation and dematerialisation of shares, debentures and securities of the Company;
8. To give directions for monitoring the stock of blank stationery and for printing of stationery required by the secretarial department of the Company, from time to time, for issuance of share certificates, debenture certificates, allotment letters, warrants, pay orders, cheques and other related stationary;
9. To review the status of unpaid dividend, interest and undelivered share certificates and measures taken by the 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 the Company.

During the year 2019-20, the Company received two (2) complaints from investors including complaints received through SEBI's scores portal. Complaints were redressed to the satisfaction of the shareholders. The details of the Complaints are given below:

Sr. No.	Particulars	No. of Complaints
1.	Investor complaints pending at the beginning of the year	0
2.	Investor Complaints received during the year	2
3.	Investor complaints disposed of during the year	2
4.	Investor complaints remaining unresolved at the end of the year	0

No pledge has been created over the equity shares held by the Promoters as on March 31, 2020.

Attendance and Meeting:

During the year under review, the Stakeholders Relationship Committee of the Company met one (1) time i.e. on March 24, 2020. The necessary quorum was present at the meeting.

The details of attendance of each member of the Committee at the Meeting of the Committee are given below:

Name of the members	Designation	Non-Executive/ Independent/Executive	No. of committee meetings held	Committee meeting attended
Ms. Nirali Sanghi	Chairman	Independent Director	01	01
Dr. Archana Niranjan Hingorani	Member	Independent Director	01	01
Mr. Prakarsh Gagdani	Member	Executive Director	01	01

The name, designation and address of Compliance Officer of the Company is as under:

Name and designation:	Ms. Namita Godbole, Company Secretary & 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 6272 7000 E-mail: csteam@5paisa.com

The Company Secretary of the Company acts as Secretary of the Committee.

The Chairman of the Stakeholders Relationship Committee was present at the last Annual General Meeting of the Company held on September 30, 2019.

D. Finance Committee (Non Mandatory Committee)

Composition

The Finance Committee was constituted on January 11, 2018 and was latest reconstituted on January 16, 2019. The Finance Committee comprises of Mr. Prakarsh Gagdani-Whole Time Director and CEO, Mr. Santosh Jayaram, Whole Time Director, Mr. Gourav Munjal, Whole Time Director and Chief Financial Officer.

Scope and Functions

The broad terms of reference of the Finance committee are as under:

a) To borrow funds for and on behalf of the Company up to the maximum amount as determined by the Board of Directors of the Company from time to time.

b) To invest funds of the 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 the Company from time to time and also to enter into any agreements including but not limited to enter into Share Purchase Agreement, Share Subscription Agreement, Shareholders Agreements etc. as may be required to give effect to such transaction;

c) To allot securities of the Company including equity shares, preference shares, debt securities, bonds, etc. from time to time;

d) To borrow funds for meeting the short term requirements of funds of the Company by issuing Commercial Paper including redemption and buyback of Commercial Paper and also to list the same as per the SEBI Regulations.

e) To avail intraday facilities from Banks/Financial Institution upto ₹ 3000 crores (Rupees three thousand crores).

f) To offer assurances on behalf of Subsidiaries, in the form of guarantee, security, undertakings, letters (including without limitation, letter of comfort), deeds, declarations or any other instruments in connection with loan availed by them from Bank, Financial Institution, Non-Banking Financial Companies, other body corporates, etc. upto such limit, if applicable, as delegated / decided by the Board from time to time;

g) Powers relating to issuance and allotment of Debentures:

   i. To determine terms and conditions and number of debentures to be issued.

   ii. Determining timing, nature, type, pricing and such other terms and conditions of the issue including coupon rate, minimum subscription, retention of 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 utilisation of the issue proceeds, modify or alter any of the terms and conditions, including size of the Issue, as it may deem expedient, extension of Issue and/or early closure of the Issue

h) Other Routine Matters

Attendance and Meeting

During the year under review, the Finance Committee of the Company met five (5) times i.e. on May 16, 2019, July 15, 2019, August 09, 2019, August 30, 2019 and September 06, 2019. The necessary quorum was present at the meetings.

The details of attendance of each member of the Committee are given below:

Name of the members	Designation	Executive/ Non-Executive	No. of committee meetings held	Committee meeting attended
Mr. Prakarsh Gagdani	Chairman	Executive Director & CEO	5	5
Mr. Santosh Jayaram	Member	Executive Director	5	5
Mr. Gourav Munjal	Member	Whole Time Director & CFO	5	5

4. 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 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 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.

5. GENERAL BODY MEETINGS

The following table gives the details of the last three Annual General Meetings of the Company:

Date of AGM	Location	Time	Whether any special resolutions passed
September 30, 2019	Hall of Harmony, Nehru Center, Dr. Annie Besant Road, Worli, Mumbai – 400018	4.00 p.m.	Yes. One (1) Special Resolution were passed.
July, 17, 2018	Hall of Harmony, Nehru Center, Dr. Annie Besant Road, Worli, Mumbai – 400018	4.00 p.m.	Yes. Five (5) Special Resolution were passed.
July 19, 2017	IIFL House, Sun Infotech Park, Road No. 16V, Plot No. B - 23, Thane Industrial Estate, Wagle Estate, Thane – 400604	4.30 pm	Yes. One (1) Special Resolution was passed.

National Company Law Tribunal Convened Meeting:

During the year under review there was no meeting held as per the order of the National Company Law Tribunal.

Postal Ballot:

No business was required to be transacted through Postal Ballot at the above meetings and none is required to be transacted through Postal Ballot at the ensuing Annual General Meeting.

6. DISCLOSURES

(i) Disclosure on materially significant related party transactions that may have potential conflict with the interest of company at large:

The Company has put in place a policy for Related Party Transactions (RPT Policy) which has been approved by the Board of Directors. The Policy provides for identification of RPTs, necessary approvals by the Audit Committee/ Board/Shareholders, reporting and disclosure requirements in compliance with Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. In line with the amended SEBI Listing Regulations, this Policy has been suitably amended.

All transactions executed by the Company during the financial year with related parties were on arm's length basis and in the ordinary course of business. All such Related Party Transactions were placed before the Audit Committee for approval, wherever applicable. The Company had not entered into any material contracts or arrangements or transactions under sub-section (1) of section 188 of the Act.

During the year under review, Shareholders approved the material Related Party Transactions which are considered material in accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 at the Annual General Meeting of the Company held on September 30, 2019. The policy on materiality of Related Party Transactions and dealing with Related Party Transactions as approved by the Board may be accessed on the Company's website at the link https://www.5paisa.com/investor-relations. You may refer to Note no. 33 to the financial statement which contains related party disclosures. No materially significant related party transactions have been entered into during FY 2019-20 having potential conflict of interest.

(ii) Details of non-compliance

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 2019-20.

(iii) Whistle Blower Policy/ Vigil Mechanism

In Compliance of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has adopted a Whistle Blower Policy and has established the necessary vigil mechanism for employees to report genuine concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. The Policy also provides for adequate safeguard against victimisation of Whistle Blower who avails of such mechanism and provides for the access to the Chairman of Audit Committee. None of the Whistle Blowers has been denied access to the Audit Committee.

iv) Compliance with Mandatory and Non-Mandatory Provision

Your Company has adhered to all the mandatory requirements of Corporate Governance norms as prescribed by Regulations 17 to 27 and Clause (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to the extent applicable to the Company.

The status on the Compliance with the Non-mandatory recommendation in the SEBI Regulations is as under

- The Internal Audit report is submitted every quarter before the Audit Committee and even internal Auditor is present during the Audit Committee meeting.
- The Company follows a robust process of communicating with the shareholders which has been explained earlier in the report under "Means of Communication"

v) Web link for policy for determining the material subsidiaries

The policy for determining the material subsidiaries as approved by the Board may be accessed on the Company's website at the link https://www.5paisa.com/investor-relations .

vi) Disclosure of accounting treatment

There was no deviation in following the treatments prescribed in any of Accounting Standards (AS) in the preparation of the financial statements of your Company.

vii) The Board has accepted all the recommendations of the committees of the Board.

viii) Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part.

Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part, are as follows:

Particulars	Amount (₹ In Million)
Audit Fees	0.60
Certification Expenses	0.23
Out of Pocket Expenses	0.02
Total	0.85

ix) Disclosure in relation to sexual harassment of Women at Work place (Prevention, Prohibition and Redressal)

- Number of complaints filed during the financial year- Nil
- Number of complaints disposed of during the financial year – Nil
- Number of complaints pending as on end of the financial year- Nil

x) Prevention of Insider Trading

In January 2015, SEBI notified the SEBI (Prohibition of Insider Trading) Regulations, 2015 that came into effect from May 15, 2015. Pursuant thereof, the Company as a listed Company and market intermediary has formulated and adopted a code for prevention of Insider Trading including Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information, incorporating the requirements in accordance with the regulations, clarifications and circulars and the same are updated as and when required. In line with the recent amendments in SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has updated its Code for prevention of Insider Trading including Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information and the same is effective from April 01, 2019 also is updated as per changes in regulations from time to time.

xi) Confirmation of Independence:

The Board does hereby confirm that in its opinion, the Independent Directors fulfills the conditions specified in these regulations and are independent of the management.

xii) Details of Unclaimed shares of the Company

The Hon'ble National Company Law Tribunal, Mumbai bench had vide its order dated September 06, 2017 sanctioned the Scheme of Arrangement between IIFL Finance Limited (Formerly known as "IIFL Holdings Limited) ('Demerged Company') and 5paisa Capital Limited, the ('Resulting Company') and their respective Shareholders ("the Scheme"). The Scheme with effect from October 01, 2016, *interalia,* 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 the Company. Also pursuant to the Rights issue, the Rights entitlement on 376 equity shares have been kept in abeyance.

xiii) Details of unclaimed fractional shares entitlements

Pursuant to Scheme of Arrangement with respect to demerger of 5paisa digital Undertaking of IIFL Finance Limited into 5paisa Capital Limited. The Company allotted fresh 1,27,39,022 equity share of ₹ 10 each to the shareholders of IIFL Finance Limited in the ratio of1 (One) fully paid up New Equity Share of ₹ 10 (Rupees Ten) each of Company shall be issued and allotted for every 25 (Twenty Five) fully paid up equity shares of ₹ 2 (Rupees Two) each held in IIFL Finance Limited. Consequent to allotment of fresh equity shares, 12,707 equity shares arose as fractional entitlements to the fractional shareholders. Pursuant to the Scheme, the shares were deposited into the account of Mr. Prakarsh Gagdani- Whole Time Director & Chief Executive Officer and the same were sold in the market on December 29, 2017. The amount realised thereunder was transferred to separate Bank account and were distributed to the fractional shareholder as the fractional entitlements. As on the March 31, 2020, ₹ 177,764.94/- is lying as the unclaimed fractional entitlements in the said bank account.

7. MEANS OF COMMUNICATION TO THE STAKEHOLDERS

The primary source of information to the shareholders, customers, analysts and other stakeholders of your Company and to public at large is through the website of your Company www.5paisa.com. The Annual Report, quarterly results, shareholding pattern, material events, corporate actions, copies of press releases, schedule of analysts/investor meets, among others, are regularly sent to Stock Exchanges and uploaded on the Company's website. Quarterly/ annual financial results are regularly submitted to the Stock Exchanges in accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board of Directors have approved a policy for determining materiality of events for the purpose of making disclosure to the stock exchange. The Chief Executive Officer, Chief Compliance Officer, Chief Financial Officer and the Company Secretary of the Company are empowered to decide on the materiality of the information for the purpose of making disclosure to the Stock Exchanges.

All the disclosures made to the stock exchanges are also available on the Company's website at the link https://www.5paisa.com/investor-relations.

The quarterly and annual results of your Company are normally published in the Free Press Journal and Navshakti which are widely circulated. Your Company also regularly makes presentation to the analyst in their meetings held from time to time, transcripts of which are uploaded on your Company's website. The schedule of analyst meets/Institutional Investors meets are also informed to the public through the Stock Exchanges.

8. GENERAL SHAREHOLDERS' INFORMATION

1.	**Annual General Meeting**	Monday, June 29, 2020 via Video Conferencing.
2.	**Financial calendar (2020-21)**	April 1, 2020 to March 31, 2021 Results for the quarter ended June 30, 2020 – within 45 days from the end of the quarter Results for the quarter ended September 30, 2020 – within 45 days from the end of the quarter Results for the quarter ended December 31, 2020 – within 45 days from the end of the quarter Results for the quarter and year ended March 31, 2021 – within 60 days from the end of the quarter
3.	**Book closure date**	June 23, 2020 to June 29, 2020 (both day inclusive)
4.	**Dividend**	During the year under review, your Company had not paid any dividend. The Board of Directors does not propose any dividend at ensuing Annual General Meeting.
5.	**Listing of equity shares on stock exchanges at**	**1. National Stock Exchange of India Limited** Exchange Plaza, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (E) Mumbai-400 051 **2. BSE Limited** Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001 The Listing Fees for the FY 2019-20 shall be paid timely to the aforesaid Stock Exchanges.
6.	**Stock code**	National Stock Exchange of India Limited – 5PAISA BSE Limited – 540776

7. **Stock market data** Table below gives the monthly high and low quotations of shares traded at BSE Limited and the National Stock Exchange of India Limited for the financial year 2019-20. The chart below plots the monthly closing price of 5paisa Capital Limited versus the BSE - Sensex and NSE - S&P CNX Nifty for the year ended March 31, 2020.

Month	BSE			NSE		
	High	Low	Volume	High	Low	Volume
April, 2019	337.10	210.00	73,169	338.45	216.17	7,04,376
May, 2019	386.00	233.85	59,483	386.80	230.75	4,22,863
June, 2019	249.90	195.00	10,359	250.00	193.50	1,30,100
July, 2019	252.00	168.80	26,441	249.90	168.75	2,26,605
August, 2019	175.45	120.95	55,250	176.85	120.80	2,52,575
September, 2019	193.85	129.95	49,475	190.30	129.25	2,36,338
October, 2019	203.35	156.55	38,215	199.80	155.00	2,72,342
November, 2019	179.00	146.40	8,664	177.35	149.00	1,76,581
December, 2019	204.00	166.65	31,064	205.90	162.10	3,11,634
January, 2020	220.00	185.05	39,097	220.95	176.00	6,11,350
February, 2020	194.00	157.00	9,335	198.00	155.00	2,11,730
March, 2020	178.00	93.05	30,739	189.90	90.00	2,01,834

8.	**Demat ISIN numbers in NSDL and CDSL for equity shares**	INE618L01018
9.	**Registrar & Transfer Agent**	Link Intime India Private Limited C-101, 247, Lal Bahadur Shastri Marg, Gandhi Nagar, Vikhroli West, Mumbai -400083. Tel: 022-49186000 Email: rnt.helpdesk@linkintime.co.in
10.	**Share transfer system**	Your Company's shares are compulsorily traded in dematerialised 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.
11.	**Dematerialisation of shares**	As on March 31, 2020, 99.96% of the paid-up share capital of the Company was in dematerialised form. Trading in equity shares of the Company is permitted only in dematerialised form through CDSL and NSDL as per notifications issued by the Securities and Exchange Board of India.
13.	**Correspondence for dematerialisation, transfer of shares, non –receipt of dividend on shares and any other query relating to the shares of the Company**	Link Intime Private Limited C-101, 247, Lal Bahadur Shastri Marg, Gandhi Nagar, Vikhroli West, Mumbai- 400083. Contact Person: Ms. Sharmila Amin Tel: 022-49186000
14.	**Any query on Annual Report contact at corporate office**	Mrs. Namita Godbole, Company Secretary and Compliance Officer IIFL House, Sun Infotech Park, Road No. 16V, Plot No. B - 23, Thane Industrial Estate, Wagle Estate, Thane – 400604 Email: csteam@5paisa.com
15.	**Outstanding GDRs/ADRs/ Warrants or any convertible instruments, conversion date and likely impact on equity**	The Company does not have any outstanding GDRs/ADRs/Warrants as on date. The Company has outstanding unexercised ESOPs of 6,72,000 stock options as on March 31, 2020 under its ESOP plans which may be exercised by the grantees as per the vesting Period. Each option granted is convertible into one equity share of the Company. Upon exercise of options by grantees, the paid-up share capital of the Company will accordingly increase.

9. SHAREHOLDING PATTERN

Categories of Equity Shareholders as on March 31, 2020:

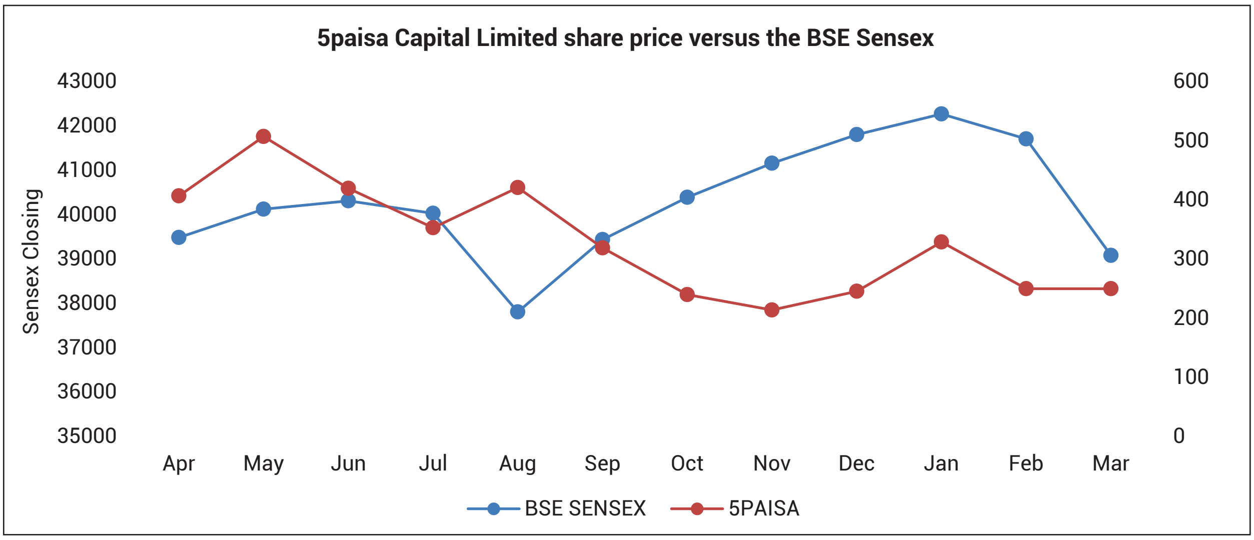
Category	Number of equity shares held	Percentage of holding
Promoters & Promoters Group	8,810,698	34.58
Indian Public & others	427,001	16.75
Bodies Corporates	177,341	0.69
Foreign Institutional Investors	4,596,127	18.04
Foreign Company	6,771,314	26.58
Non Resident Indian	495,056	1.94
Non Resident Indian's (Non-Repatriable)	352,131	1.38
Foreign Nationals	5,000	0.04
NBFCs registered with RBI	0	0.00
Grand Total	25,477,668	100

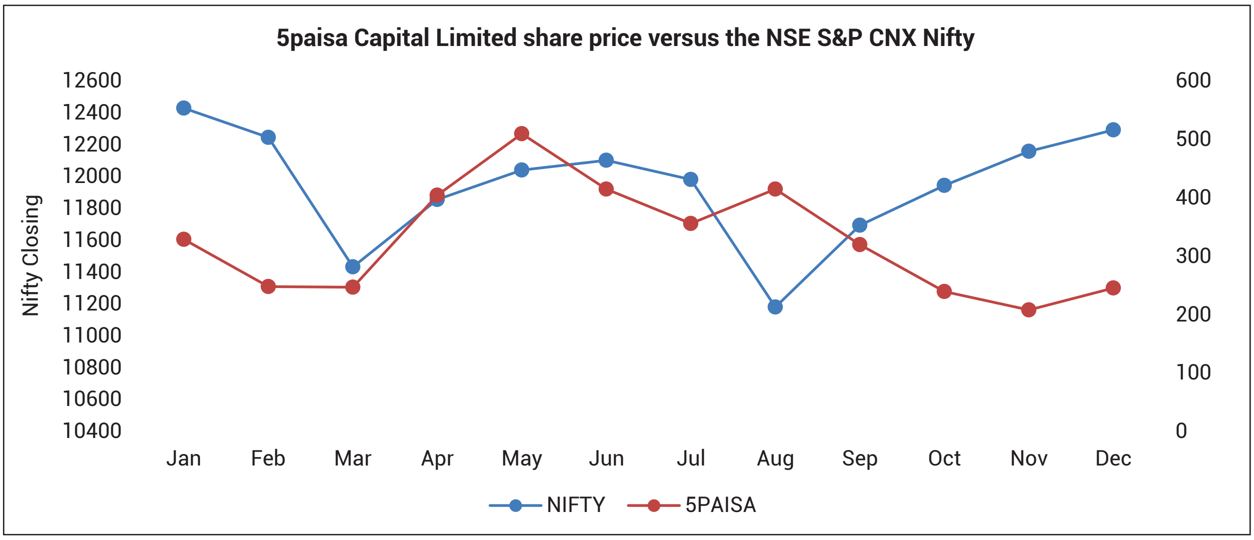
10. DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2020

The distribution of shareholders as on March 31, 2020 is as follows:

Sr. No.	Shares Range	Number of Shareholders	% of total shareholders	total shares for the range	% of issued capital
1	1 to 500	14227	96.3432	364734	1.4316
2	501 to 1000	184	1.2460	140199	0.5503
3	1001 to 2000	109	0.7381	161300	0.6331
4	2001 to 3000	51	0.3454	128704	0.5052
5	3001 to 4000	23	0.1558	85792	0.3367
6	4001 to 5000	26	0.1761	117332	0.4605
7	5001 to 10000	51	0.3454	361083	1.4173
8	10001 and more	96	0.2130	24118524	94.6654
Total		**14767**	**100.0000**	**25477668**	**100.0000**

11. PERFORMANCE IN COMPARISON TO BROAD-BASED INDICES SUCH AS BSE SENSEX AND NSE S&P CNX NIFTY





12. PROCEEDS FROM PUBLIC ISSUES, RIGHT ISSUES AND PREFERENTIAL ISSUE, AMONG OTHERS

The Board at its Meeting held on July 17, 2018, September 12, 2018 and July 16, 2019 authorised issue of equity shares by way of a Rights Issue ("Issue") to the existing shareholders of the Company in the ratio of 1 equity share of ₹ 10 each for every 1 equity share of ₹ 10 each held in the Company at a premium of ₹ 70 per share i.e. issue price of ₹ 80 each aggregating to ₹ 101.91 crores. in accordance with the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended.

Further, the Rights Issue Committee approved the allotment of 1,27,38,646 equity shares on August 20, 2019 and the shares were credited to the respective demat accounts on August 21, 2019. The Rights entitlement on 376 equity shares have been kept in abeyance.

Post rights issue, the paid-up share capital of the Company is ₹ 254,776,680 i.e. 25,477,668 equity shares of ₹ 10 each.

13. SUBSIDIARY COMPANIES

During the year under review the Company had three (3) wholly owned subsidiaries namely 5paisa Insurance Brokers Limited, 5paisa P2P Limited and 5paisa Trading Limited.

Since, these subsidiaries are yet to commence operations as on March 31, 2020, they are not Material Subsidiaries as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

1. 5paisa Insurance Brokers Limited

   The Company incorporated 5paisa Insurance Brokers Limited on October 27, 2018. The Company is in process of filing an application for registration as Insurance Broker with Insurance Regulatory and Development Authority. On receipt of the approval, 5paisa Insurance Brokers Limited will commence the operations.

2. 5paisa P2P Limited

   During the year under review, the Company has received Certificate of Registration from Reserve Bank of India ("RBI") bearing registration number N-13.02371 to act as NBFC Peer-to-Peer Lending Platform (NBFC-P2P). Since, the registration from RBI has been received, the Company is putting in place the systems for commencing the business.

3. 5paisa Trading Limited

   During the year under review, the Company had incorporated a subsidiary, named 5paisa Trading Limited, on February 27, 2020. The Company is in the process of putting the systems in place for commencement of business. Once done, the Company will commence the business of e-commerce.

   Your Company has a system of placing the minutes of the Board/Audit Committee and statements of all the significant transactions/ developments of the unlisted subsidiary company at the Meeting of Board of Directors of Holding Company.

   The policy for determining 'material' subsidiaries as approved by the Board may be accessed on the website of the Company i.e.www.5paisa.com.

14. CEO/CFO CERTIFICATE

The Certificate required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 duly signed by the CEO and CFO was submitted to the Board and the same is annexed to this Report.

15. CERTIFICATE FROM COMPANY SECRETARY IN PRACTICE

The Company has obtained the certificate from M/s. Nilesh Shah & Associates, Company Secretary in practice as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, confirming that none of the Directors on Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority. The certificate would be placed at the Annual General Meeting for inspection by members.

16. CODE OF CONDUCT

The confirmation from the Chief Executive Officer regarding compliance with the code by all the Board Members and Senior Management forms part of the Report. The Code of Conduct is displayed on the website of the Company at www.5paisa.com.

For and on behalf of the Board

Prakarsh Gagdani	**Santosh Jayaram**
Whole Time Director & CEO	Whole Time Director
DIN: 07376258	DIN: 07955607

Place: Mumbai
Date: May 07, 2020

ANNEXURE

Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certification under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,
The Board of Directors
5paisa Capital Limited

We Certify that;

(a) We have reviewed the financial statements and the cash flow statement of 5paisa Capital Limited for the year ended March 31, 2020 and that to the best of our knowledge and belief:

  (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

  (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.

(b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

(e) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of Company's internal control systems pertaining to financial reporting. We have not come across any deficiencies in the design or operation of such internal controls.

(d) We have indicated to the Auditors and the Audit Committee:

  (i) Significant changes in internal control during the year;

  (ii) that there are no significant changes in accounting policies during the year;

  (ii) that there are no instances of significant fraud of which we have become aware.

Prakarsh Gagdani	**Gourav Munjal**
Whole Time Director &	Chief Financial Officer
Chief Executive Director	& Whole Time Director
DIN: 07376258	DIN: 06360031

Place: Mumbai
Date: May 07, 2020

DECLARATION ON COMPLIANCE WITH THE CODE OF CONDUCT

This is to confirm that the Company has adopted a Code of Conduct for its board members and the senior management and the same is available on the Company's website. I confirm that the Company has in respect of financial year ended March 31, 2020, received from the senior management personnel of the Company and the Members of the Board, a declaration of compliance with the Code of Conduct as applicable to them.

For 5paisa Capital Limited

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

Place: Mumbai
Date: May 07, 2020

AUDITOR'S CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To the Members of
5paisa Capital Limited
Mumbai

We have examined the compliance of conditions of Corporate Governance by, 5paisa Capital Limited (the "Company") for the year ended on March 31, 2020, as per the regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of schedule V of chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations").

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of the procedures and implementations thereof, adopted by the Company for ensuring compliance of the conditions of Corporate Governance as stipulated in the said clauses. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and based on the representations made by the Management, as above, we certify that the Company has complied with, in all material respect, the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations.

We further state that such Compliance is neither an assurance as to future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For V**. Sankar Aiyar & Co.,**
Chartered Accountants
(FRN 109208W)

(G SANKAR)
Partner
(M.No.46050)
UDIN: 20046050AAAACD4283

Place: Mumbai
Date: May 7, 2020

Management Discussion and Analysis

Indian Economy Overview

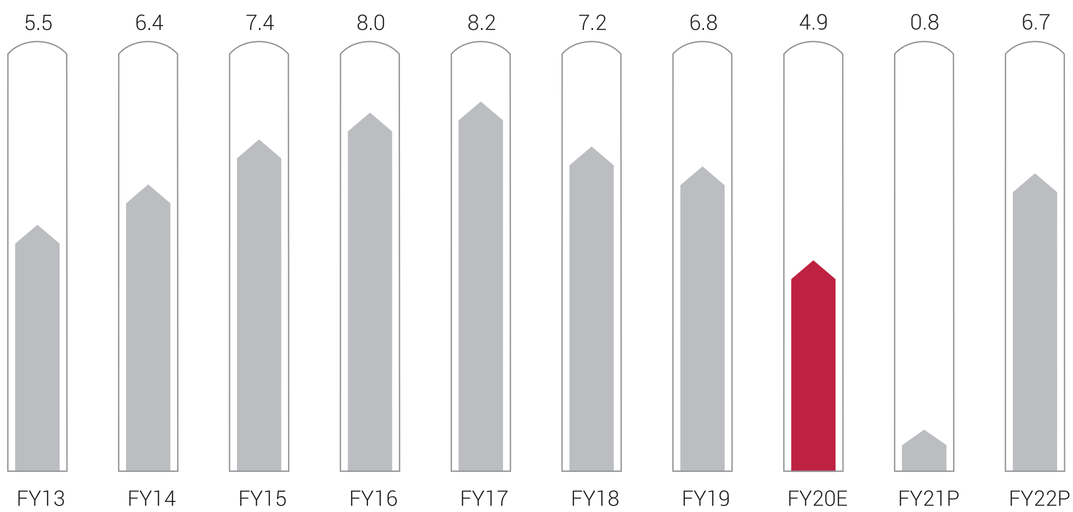
Amidst a weak environment for global manufacturing, trade and demand, Indian economy emerged as one of fastest growing major economy as compared to the advanced and emerging nations in FY20. However, the growth was subdued as compared to the previous fiscal mainly due to the COVID-19 impact. The deceleration was also most evident in the manufacturing and agriculture sectors, whereas Government-related services sub-sectors received significant support from public spending. Though there was rise in Government spending, sharp slowdowns in household consumption and investment offset the same. The economy had shown signs of recovery in the third quarter of fiscal 2020 with the rise in Purchasing managers index (PMI) in manufacturing hitting an eight year high of 55.3 in January 2020. However, with the onset of COVID-19 pandemic and the resultant lockdown, the revival came to a standstill in March 2020. India's GDP growth for FY20 is estimated at 4.9% (Source: Fitch). The overall negative impact on the economy in FY21 will depend on future extent and the resultant outcome of the COVID-19. Weakness in income growth and a rising unemployment rate is also expected to undermine consumer sentiment.

However, the Government of India along with the RBI has undertaken a slew of measures to counter the impact of the lockdown, including:

- A ₹ 20 trillion stimulus package, which is almost 10% of the GDP, in order to revive the economy and address the slowdown faced by various sectors
- All the lending institutions such as banks and NBFCs (including HFCs) have been allowed a moratorium of 6 months on repayment of term loans outstanding as on March 01, 2020. This will ensure that there is no down grading of the borrower's credit rating or affect the risk classification of the loan.
- Reducing repo rate and reverse repo rate to incentivise banks to lend more
- Infusion of liquidity to the extent of ₹ 3.74 trillion through a combination of
    a. Targeted TLTRO of upto 3 year tenor amounting to ₹ 1 trillion
    b. Reduction in CRR by upto 100 bps and
    c. Increase in lending under MSF from 2% to 3% leading to additional liquidity under the LAF window
- The Government has brought in a stimulus of ₹ 1.70 trillion through direct bank transfers and provision of more food quantities to the population most affected by the pandemic.

The lockdown is expected the impact economic activities in the first half of fiscal 2021. However, in the second half, the economy is expected to recover. In addition to the above fiscal measures, there will be expectations of further fiscal measures. RBI is also expected to continue its monetary easing policy and liquidity boosting measures. The Indian economy is expected to grow by 0.8% in FY21 (Source:

Indian Economy Growth Output (%)



Source: RBI, CSO, Fitch

Fitch). The weakness in global growth rules out the possibility of pick up in Indian exports and the government will have to rely on internal consumption and investment to drive growth. That said, weak global growth should keep commodity prices in check which in turn will keep domestic inflation and current account deficit under control. Even if the fiscal deficit widens sharply for supporting growth, low commodity prices and weak domestic demand will prevent inflation from spiralling.

Financial Services Industry

The Indian financial services industry is vast and diverse consisting of banks, NBFCs, capital markets, insurance sector and the new payment banks. India's gross national savings (GDS) as a percentage of Gross Domestic Product (GDP) stood at 30.5% in 2019. With increasing finance penetration, the opportunity in India is very high especially in the rural areas for moving from physical savings to financial savings. With increasing internet penetration and financial literacy, the future growth prospects of financial service industry in India looks very bright.

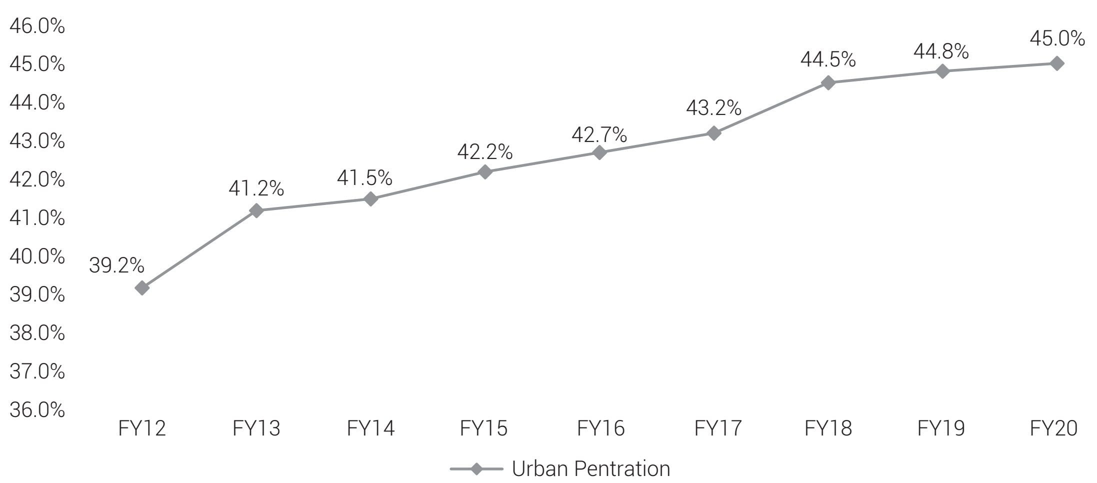
The Government has taken various steps to deepen the reforms in the capital markets, including simplification of the Initial Public Offer (IPO) process which allows qualified foreign investors (QFIs) to access the Indian bond markets. The Department for Promotion of Industry and Internal Trade (DPIIT) has amended the foreign direct investment (FDI) policy to allow 100% FDI for insurance intermediaries, which includes insurance brooking, insurance companies, third party administrators, surveyors and loss assessors. In developed countries, pension funds and insurance companies are considered the bedrock of the financial system. With increased FDI India has welcomed the deep technical knowhow and evolved investment capabilities these global companies can bring. FDI in insurance along with management control is expected to attract large and stable capital inflow.

India has scored a perfect 10 in protecting shareholders' rights on the back of reforms implemented by Securities and Exchange Board of India (SEBI) in World Bank's Ease of Doing Business 2020 report.

Digitisation of Finance Industry

The financial service industry in India is in the midst of a digital transformation. Fintech has emerged as the most effective lending channel after banks and NBFCs, transforming the traditional way of banking and the end-to-end customer journey. It has unlocked various opportunities for tapping the wide substantial database of customers enabling a strong digital foundation. The traditional financial services industry is inherently offline, time-consuming, manual, inaccessible and cost heavy. This is primarily because of the dependency on human capital for every process. Governmental has been effective in its efforts towards promoting digitisation of financial systems and reducing cash transactions in the economy. It has helped in shifting consumer focus towards digital alternatives for financial transactions and services. In rural areas,

Uptick in finance penetration in urban areas



Source: CRISIL

access to financial services has considerably improved due to initiatives such as Jan Dhan Yojana enabling bank accounts for everyone. Aadhaar and the emergence of UPI provides a good foundation for fintech companies to function effectively and boost financial inclusion across the country. Fintech Platforms has been significant in helping India growing wealth through automation, data science, and artificial intelligence. These loan apps and aggregator sites assist users in making informed decisions while investing their money and keep themselves updated with the product updates and industry trends. These platforms offer end to end guidance and solution to users in resolving financial queries, gaining financial literacy, etc.

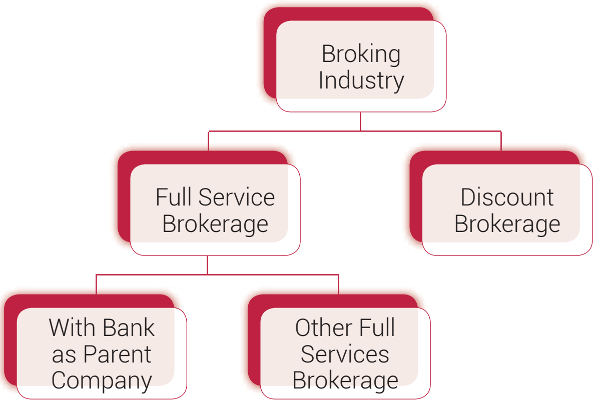
The outlook for the sector continues to be positive with growing inclination towards financial inclusion, positive investor sentiment and active government support.

Overview of Capital Markets

The COVID-19 pandemic impact and the uncertainty surrounding the lockdown phase has kept the markets volatile in the near term. The mutual funds collections in FY20 have held up well, however the recent correction is one of the steepest in last twelve years. Prior to the COVID-19 impact, FY20 saw more greenshoots for Indian economy with India's weightage in global indices increasing, more FII money is coming into India, driving both secondary and primary markets. A strong budget with focus on demand stimulation and improvement in government spending and measures to tackle the COVID-19 impact and the improving liquidity amongst NBFCs is further expected to drive capital market activity in FY21.

Stock Broking Sector

The Indian brokerage sector can be classified in terms of type of brokerage service, nature of parent company and business diversification. The following chart describes the market structure:



There are primarily two types of brokers in India:

- Full-service brokers: These brokers offer a wide range of services like offline and online trading, Demat accounts, investment advisory and other customised services. Further, full service broker provides research reports, relationship managers for personalised services, portfolio management services, Insurance, etc.
- Discount brokers: These brokers offer services at low and fixed brokerage fees, irrespective of size of order and provide such services via an online platform.

In the last six years, Indian markets have witnessed a spurt in volumes at ~34.4% CAGR from FY13 to FY19. Following global trend of higher tilt towards options, derivatives witnessed robust traction at 35.4% CAGR from ₹ 1554 billion in FY13 to ₹ 9,590 billion in FY19, while equity (Cash) ADTO grew only by ~18.1% CAGR in FY13-19 (Source: ICICI Research). While, the volatility in the markets is expected to encourage trading turnover, the recent corrections in valuations on account of the COVID-19 impact, coupled with the cautious investor stance, would have a bearing on industry revenues in FY20.

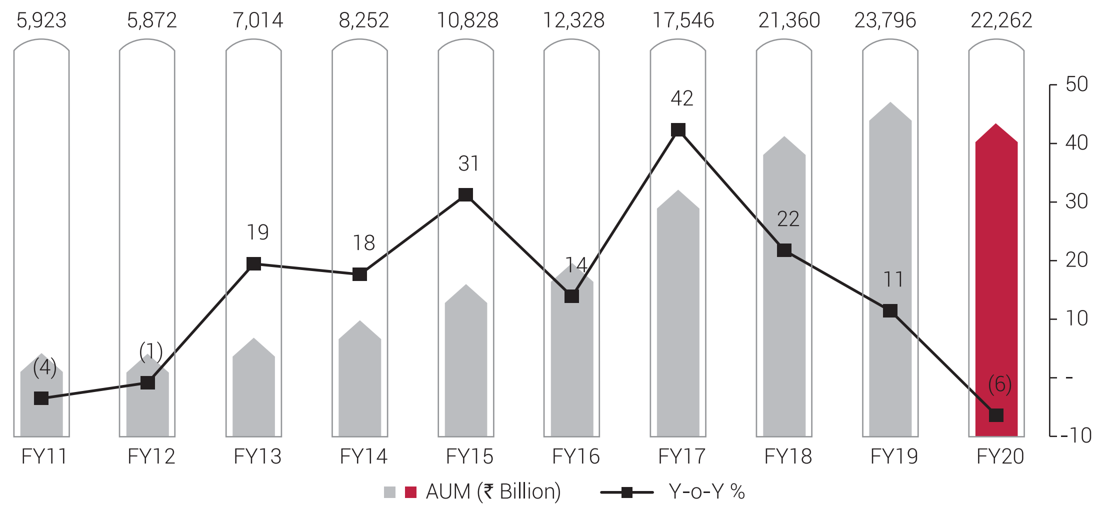
On account of the COVID-19 impact, brokerage companies are expected to report a marginal reduction in revenue and profitability across businesses. The outlook over a longer period would be contingent on the extent of the outbreak, resultant impact on the economy, the expectations of turn-around coupled with policy measures as undertaken by the government from time to time and investor sentiment.

Mutual Fund Industry

The Mutual Fund industry in India, which was on a continuous growth trajectory in its total Assets Under Management (AUM) since FY13, fell in FY20. Compared to a year ago, the decline is in excess of ₹ 1,530 billion, or 5%, compared to ₹ 23,796 billion reported in March 2019. The COVID-19 impact dampened the growth of MF AUM in the last month of FY20. The AMFI data on inflow and outflow for the month of March 2020 suggests a fall of 18% in AUM from ₹ 27,220 billion in February to ₹ 22,262 billion in March - the highest monthly fall in the AUM in the FY20. Amid the volatile market conditions, debt funds recorded outflows, while equity funds witness inflows.

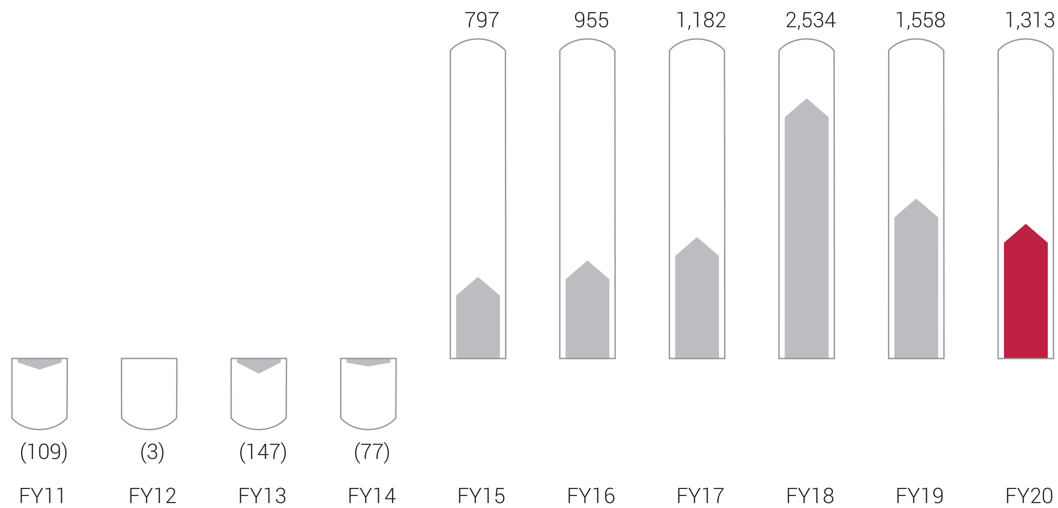
However, from an equity inflow perspective, FY20 was the sixth successive year of net equity inflows. On the equity side, all categories registered inflows reposing retail investors continued faith in equities despite Nifty registering five-year low in March 2020. Sensex and Nifty indices each

Mutual Fund AUM (₹ billion)



Source: AMFI, IIFL

Net Mutual Fund Equity Collections (₹ billion)



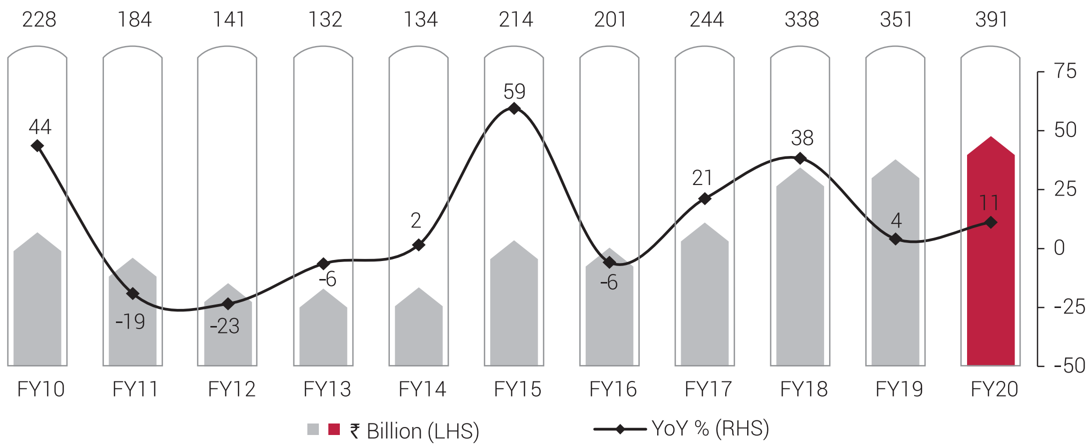
Source: CEIC, IIFL Research

fell 23% in March 2020. The net inflows were at ₹ 1,313 billion in FY20 (including balanced fund category also)

On the trading front, annual average cash market turnover went up by 11% Y-o-Y to ₹ 391 billion/day in FY20.

Management Discussion and Analysis (Contd.)

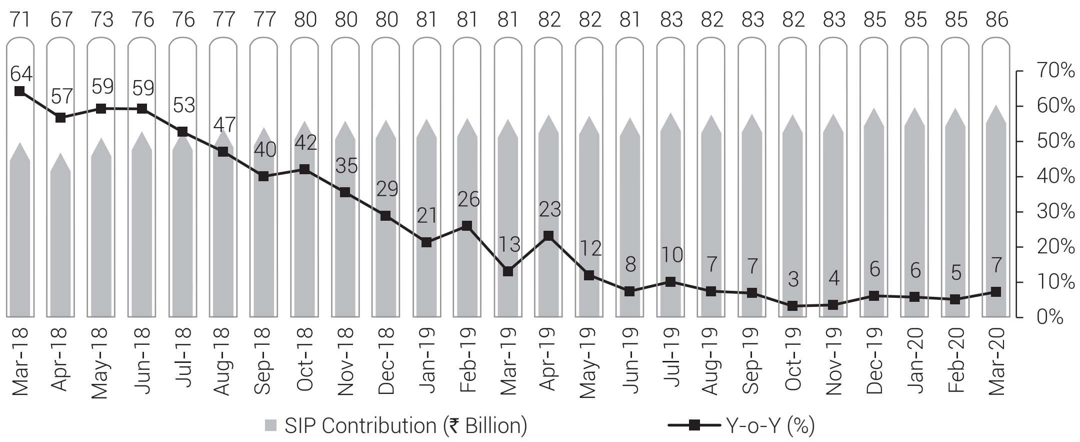
Annual Average Market Turnover



Source: Bloomberg, IIFL Research

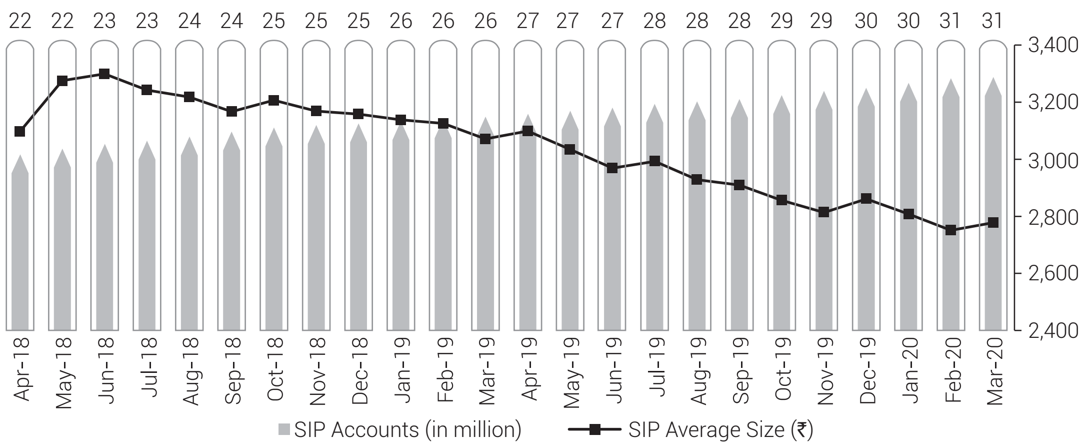
SIP has been gaining popularity among Indian MF investors, as it helps in rupee cost averaging and also in investing in a disciplined manner without worrying about market volatility and timing the market. Despite the concerns over the impact of coronavirus pandemic and extreme volatility in the broader market, SIP option for investing in mutual funds remained popular in FY20 as well, as the industry saw SIP contribution of ₹ 1 trillion through this route in FY20, up 8% from the preceding fiscal.

SIP Contribution



Also the number of SIP accounts has shown a healthy growth of 19% Y-o-Y as on March 2020 (31.2 million).

SIP Accounts



Discount Brokerage Industry

Technology is disruptive but it is also an enabler. Digitisation has taken the Indian financial markets by storm and has radically changed the way Indian financial markets function, including stock broking. A drastic shift towards technology has given rise to a new breed of stock brokers, known as discount brokers. As technology is growing and increase in use of internet, smartphones, and mobile apps as well as the evolvement of lower brokerage has led discount brokers to gain momentum in the market in the coming future. Due to this the way stock brokers in India interact with potential investors has undergone a massive change over the years. Unlike a traditional broker, a discount broker's services are limited and restricted primarily to providing a trading platform.

Smartphone users in India crossed 500 million in 2019, a 15% increase from 2018 (Source: techARC). This surge in smartphone users coupled with Internet penetration have made it easier for discount brokers to capitalise this market opportunity by letting people place trade orders on online platforms at almost zero cost. As technology is growing and with increase in use of internet, smartphones, and mobile apps as well as the evolvement of lower brokerage, discount brokers are expected to gain momentum in the market in the coming future.

This number is expected to go upto 859 million by 2022 according to joint study conducted by ASSOCHAM and PwC.

Along with the smart phone penetration, what has helped the discount brokerage industry is the tremendous shift in the customer base characteristics for the brokerage industry over the years. The millennial investors, especially first time investors who are tech savvy and more price conscious, have favoured the discount brokers over the traditional brokers. Discount brokerages charge almost low to nil commission, along with independent advisory services offering quality knowledge content for free to those interested.

The main advantage of discount brokers is its low cost, which is usually the result of lower commissions. Also, because they don't offer any advice, discount brokers have no vested interest in trying the customer to buy or sell a particular stock. They also provide unrestricted access to information on their website and applications.

Going forward

Better execution is the key in the market for discount brokers with the increasing competition. On the margin front in trading business, it will be almost zero with the entire industry slowly moving towards zero brokerage model. As more and more elements of the stock market get digitised, it increases its potential to attract a new generation of investors who're no longer drawn to real estate to park their disposable income. Millennials are the key to the future growth of discount brokers in India. With 430 million Indians owning a smartphone, half a billion using the Internet, and more than 300 million using various social-media networks, digital transactions offer a massive opportunity and can spur the financial inclusion journey in India as it lowers the cost of financial services that are being provided to the poor along with increased convenience and security.

The increase in use of internet, smartphones, and mobile apps as well as the evolvement of lower brokerage has led discount brokers to gain momentum in the market in the coming future. Discount broking, which, till recently was looked upon as an evolving industry in India, is now gaining pace and is soon expected to be on par with full-service broking before even gaining a majority share of the market.

Opportunity

In the near term, as the markets fell due to the COVID-19 impact, retail brokerages saw ~50% jump in new accounts in March 2020 as retail investors are looking at investing in the market. Since the entire operations of discount brokers happen online, it is being carried out smoothly without any hindrance due to the pandemic.

In the long term, with the discount brokerage industry growing strong, the customers opting for it are predominantly the millennials. It is an attractive platform for first time investors. In the future customer addition is expected mainly from tier 2 and 3 cities with the rising internet penetration. New customers from these cities are sensitive about trading cost and research before opting for brokerages. According to 2011 census India has more than 50% of its population below the age of 25 and more than 65% below the age of 35. As of 2018, Indian equity market penetration is only about 2.5% of the population. In the coming future, with more investor awareness, financial literacy and the burgeoning proportion of millennials, the future opportunities for discount brokerage industry looks very bright. The growing shift from traditional instruments of savings to financialisation of savings is also a great opportunity for capital market participants.

With the government prioritising digitisation in the economy with the 'Digital India' project, digital payments are going to rise in the near future. It will be a catalyst for the growth of discount brokers in India in future.

Threats

Technology has been the most disruptive component in the broking industry. For brokerages to sustain in the business, adapting to changing realities and focussing on adding value to investors hold the key. Redundancy due to constant technological and digital advancement remains a threat to the discount broking industry. New market entrants always are breaking through established markets, coming up with more customer friendly solutions developed from the scratch and unencumbered by legacy systems. Customers always demand better services, seamless experiences regardless of channel, and more value for their money. Thus change is constant and discount brokerages have to keep up with constant innovation and new services for customers.

Thought the discount brokers took the traditional industry by storm, the initial gains and price advantage is no longer available due to new entrants and rising competition. All traditional houses are now price competitive and have subscription plans and digital investment options. Discount brokers will have to provide multiple asset classes and disrupt technology regularly in order to build customer loyalty and stay competitive.

Changes in regulatory environment are also a considerable threat to discount brokers. Any change in the regulatory environment can adversely affect the business. Discount brokers run on a strictly controlled cost which is also one of their major competitive advantages. Sudden changes in regulatory compliance may pose operational challenges as well as risk of rise in operating costs.

Company Overview

5paisa Capital Limited was originally incorporated on July 10, 2007. 5paisa Capital Limited is a technology driven financial service company having mainly an online presence. It is engaged in providing financial products through its online technology platform and mobile applications. Its services are targeted at retail investors and high volume traders who actively invest and trade in securities markets and seek DIY (Do-it-Yourself) services at a low cost. The Company's consistent effort in building a robust trading platform, advanced mobile app, Artificial Intelligence powered Robo Advisory platform, and Paperless Account opening platform are some examples of Tech superiority. It is focused on innovation based on understanding customer behaviour and this gives it a significant competitive advantage in its industry.

Products				
Broking	Cash	Derivative		
Mutual Funds	Direct Funds	SIP	Robo Advisory	
Research	Swing Trader	Smart Investor	Smallcase	Sensibull
Insurance	Health	Term		
Algo Trading				
Commodities				
Personal Loans				
Digital Gold				

Financial Performance

Revenues have seen strong and sustained growth of 78 % y-o-y to ₹ 1,082.7 million in FY20. Losses (TCI) have reduced by 58 % in FY20 to ₹ 80.5 million. Since the company is still in the initial stages of business, it is yet to achieve break-even.

The Company's healthy performance has led it to achieve more than 2% share of daily cash turnover consistently since the last 5 quarters. The cash market share in Q4FY20 was 2.56%. The 5paisa Mobile App has over more than 4 million downloads till date with a sustained 4.2 Star rating on Playstore. We maintained our swift pace of client acquisitions with over 120,000 acquisitions in in Q4FY20, crossing 540,000 customers in total. 81% of new clients were from tier II/III cities.

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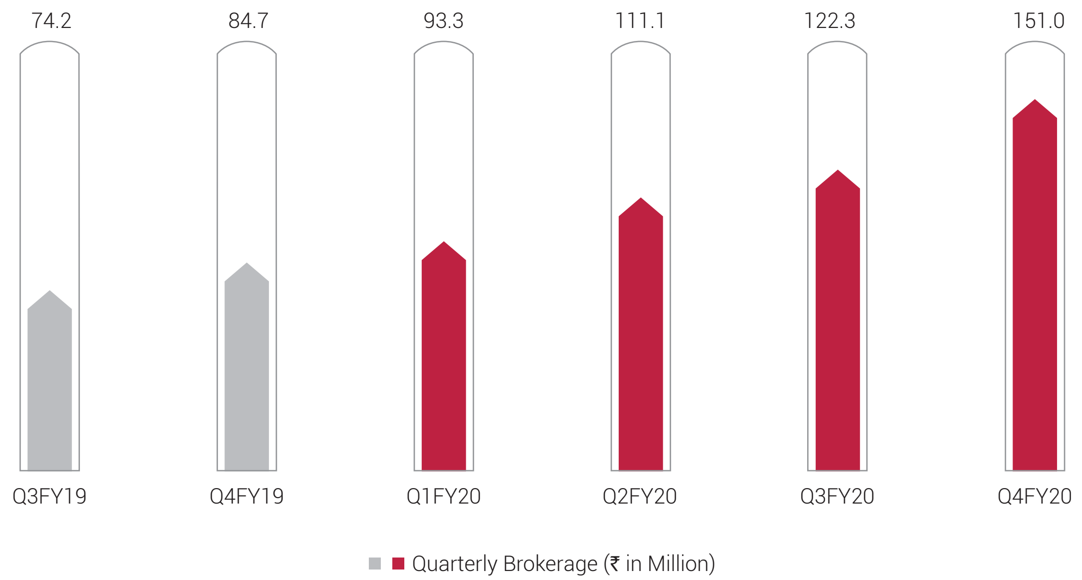
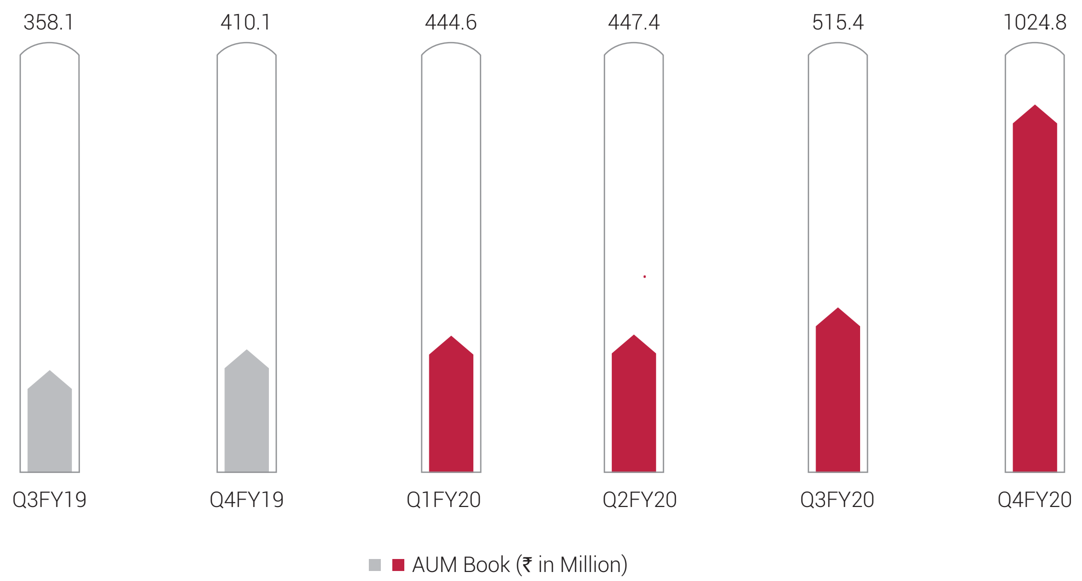
Management Discussion and Analysis (Contd.)

The quarterly brokerage stood at ₹ 151.0 million. This is an increase of 23.5 % q-o-q.

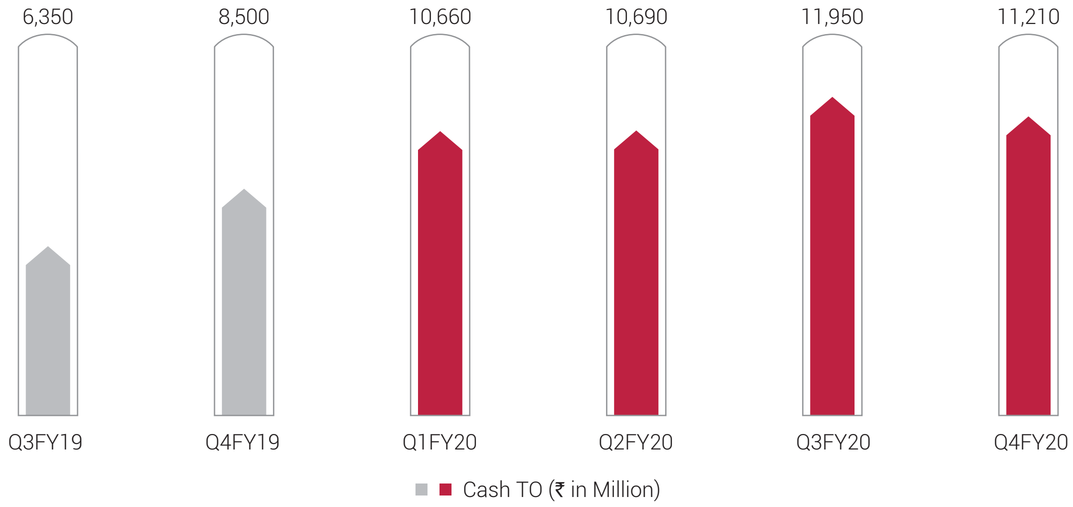


The AUM Book grew by 1.5x times to ₹ 1,024.8 million in FY20. It registered a growth of 98.8% q-o-q and 150% y-o-y.

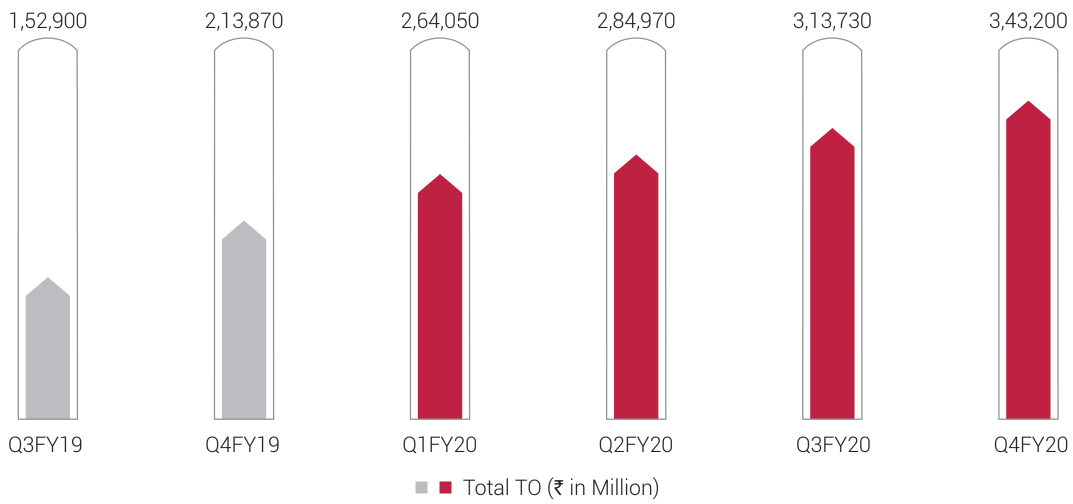


Operational Performance

The average daily cash turnover stood at ₹ 11,210 million for Q4FY20, down 6.1% q-o-q whereas exchange cash turnover (NSE + BSE) was up by 8.4% for the quarter ended March 2020. On a y-o-y basis, the Company's average daily cash turnover for the quarter grew by 31.9% y-o-y.



Average daily total turnover of the Company was at ₹ 3,43,200 million, up 9.4% q-o-q whereas the exchange total turnover was up 8.6% for the quarter ended March 2020.



Details of significant changes, if any, in key financial ratios, along with detailed explanations therefore:

Key Ratios	FY20	FY19	Variance %
Debt/Equity Ratio	1.59	2.05	-22.5%
Return on Net Worth	-8.6%	-35.1%	-75.5%
Interest Coverage Ratio	0.62	-2.49	-124.9%
Net Profit Ratio	-7.3%	-31.2%	-76.6%
Return on Capital Employed	2.2%	-17.1%	-113.0%

1. **Debt Equity Ratio decreased** from 2.05 times in FY19 to 1.59 times in FY20 primarily due to right issue money received during the year for business purpose which resulted in increase of shareholder's equity (share capital and other equity) from ₹ 449.6 million in FY19 to ₹ 1382.8 million in FY20

2. **Return on Net Worth improved** from -35.1% for FY19 to -8.6% for FY20 mainly on account of increase in revenue from ₹ 606.8 million in FY19 to ₹ 1081.4 million in FY20 and decrease in losses from ₹ -189.2 million in FY19 to ₹ -78.9 million in FY20

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3. **Interest coverage ratio improved** from -2.49 in FY19 to 0.62 in FY20 due to improvement in EBITDA from ₹ -170.1 million in FY19 to ₹ 93.6 million in FY20
4. **Net profit ratio improved** from -31.2% for FY19 to -7.3% for FY20 mainly on account of increase in revenue from ₹ 606.8 million in FY19 to ₹ 1081.4 million in FY20 and decrease in losses from ₹ -189.2 million in FY19 to ₹ -78.9 million in FY20
5. **Return on capital employed improved** from -17.1% for FY19 to 2.2% for FY20 due to improvement in EBIT from ₹ -184.5 million in FY19 to ₹ 55.2 million in FY20 and on account of increase in revenue from ₹ 606.8 million in FY19 to ₹ 1081.4 million in FY20

Customer Acquisition:

The Company has seen robust growth in customer acquisitions, recording a 171% growth amounting to 351K client acquisitions in FY20. Customer acquisition continues to be a key focus for the Company along with superior customer experience and service.

The Company's clients are typically technology-driven and open to innovative financial products/services. The company has been successful in reducing its cost of acquisition substantially YoY. Main focus is currently on organic clients, who account for 50% of overall client acquisition for FY20.

The Company uses marketing techniques like social media campaigns, Search Engine Optimisation (SEO) and online advertisements to increase awareness and expand customer base. Further, clientele growth has also occurred owing to general word of mouth. ~80% of the customers are new to market and over 81% are from Tier II/III locations.

The Company's approach of offering very low cost of service, complete paperless trading experience, multi product offering under one umbrella including research and advisory offerings and an open API structure to accommodate newer products, and usage of advanced analytics for personalised financial planning led to more than last year growth in our Customer Acquisition. Our Customer acceptability was so good that in no time the Company became one of the fastest growing broking companies in the country.

Technology Updates

The Company has launched several tools for the investor to provide a superior experience while building a strong portfolio. The portfolio analyser is a one of its kind tool that empowers an individual to track the performance ones portfolio and compare it with the benchmark using the concept of an NAV similar to how mutual fund performances are tracked. This tool also enables the user to see the concentration of their portfolio across sectors and allows them to analyse every buy and sell decision taken by them to see if those decisions were successful.

This year has also seen the launch of a power packed subscription product that gives users several features and benefits worth more than ₹ 30,000 a year at just ₹ 499 and ₹ 999. The plans offer discounted pricing in brokerage and demat charges and also allow a user to get top quality research tools and advice for near and long term trades. The smooth journeys and seamless payment experience in these plans have made them an instant success.

The range of cross sell products now available to 5paisa users include, Mutual Funds, Digital Gold, Personal Loans, Health Insurance and Term Insurance. While some of these products are new for our customers and have seen great response amongst users of the app, enhancement in the experience of the existing products in terms of journeys and payments experience have also helped us increase the number of products per customer on the platform.

Improvement in Payments experience has been a focus area and experiences like paying via UPI and Google pay have seen a drastic improvement in success rates of Funds transferred by customers to trade. UPI has been a fast-growing medium of payments and the adoption of it has surpassed that of Net banking, NEFT, IMPS and RTGS transactions. Powering recurring payments through credit cards and eNACH has also enabled us to build a strong base of subscription customers.

With rapid growth and scale comes an impending need to prepare our servers and infrastructure for scale and a need for strong security measures to protect our systems and customer data. We have spent a considerable amount of time and effort in building our applications for scale in the past year, by moving several processes to the cloud to support and almost automatic scaling to ensure high uptime for our customers. We have also laid down several processes and coding standards to ensure that our applications are secure and robust.

Human Resource

5paisa's human resource department has been constantly striving to align with business, implement digital solutions, and build a strong culture of transparency and service orientation within the organisation. The Company put in place people-friendly policies and practices in the past year and continues to focus on adopting best practices for its HR policies

Strong Management Team

The Company continues to attract professional and experienced talent from various sectors including, BFSI, Technology, Software and Start-ups. This has created a transparent, meritocratic and performance driven culture. With the right leadership at the helm, we are able to attract and create a professional team driven by a sense of purpose.

Technology Enablement

The Company uses 'Adrenalin' as a one-stop employee interface for all human resource related requirements. The system is easily accessible 24X7 through intranet and as a mobile app. We further implemented our recruitment solution – 'Hirecraft' and integrated the same with Adrenalin, which has facilitated our employees to access all features and activities from on-boarding to exit through a single system.

Training and Development

The Company has a dedicated training and development team which caters to areas of providing knowledge, building skills and supporting in areas of functional and technical development. With a strong focus on digital learning, our learning interventions right from Induction to functional training and refresher courses, have been developed and deployed online, supported by technology enablers to enhance the user experience of anytime anywhere learning. The Company is using multiple learning methodologies like e-learning modules, video based modules, simulation learning, mobile based micro learning etc. to support our employees on the quest for professional development.

Sensitivity towards driving a compliant business is ensured through learning aids/ modules covering topics such as Anti Money laundering, Prevention of Sexual Harassment, Anti Bribery & Corruption, Information Security etc.

Leadership acumen at various levels in hierarchy are developed through programs designed specifically to address real time business challenges.

Encouraging Performance

5paisa, as an organisation, considers performance and potential to determine employee growth and promotions. Individual Performance Measures (IPMs) for employees is used to set expectations across clearly demarcated parameters. Thereafter, an effective feedback mechanism is used to guide the employees from time to time. This helps in alignment of the organisational objectives and employees' personal goals. An effective performance management system helped the Company in recognising and rewarding people's performance.

Fast Track Career Path

In line with our meritocratic culture we have introduced the 'Role Elevation Panel Process' to fast track careers of high-performers through a fair and transparent panel process. This has encouraged employees to perform their best and grow rapidly in their career within the organisation.

Management Connect

Considering the importance of management interaction, our CEO has a periodic live connect session with all employees through Facebook @ Work. During this session the management discusses the Company overview, goals and future plans, opportunities and challenges etc. The sessions are also opened to live questions from employees which are answered by the management. These sessions have enabled all employees to be aligned with the Company's vision, get clarification or bring to the management's notice any concerns and helped enhance management connect across hierarchy.

Employee Engagement

5paisa believes in engaging its work force, nurturing their careers and grooming them to become leaders of tomorrow.

Apart from regular interactive forums like virtual townhalls, skip level communication meetings etc. we effectively connect with every employee throughout the organisation.

We receive employee feedback through internal and external employee survey programs, which enables us to continue doing the things going well and improve on the areas where we need to improve. These engagement scores are tracked to monitor improvement.

A special fast track program has been formulated for the recognised High Potential employees. These include programs towards honing their skills and competencies, and special learning and development initiatives which will enable them to meet their career aspirations within the organisation.

Monthly, Quarterly and Annual Rewards and Recognition programs are conducted to not only appreciate the exemplary contributions of performing employees, but also to make it aspirational for the others to leverage their potential.

Other engagement activities like sports events, cultural and festive celebrations, health and wellness workshops etc. are regularly conducted which bring about a new spurt of exuberance and enable employees to de-stress and improve team bonding.

The Company as on March 31, 2020 has a strong workforce of 607 employees.

Risk Management

Risk management is a key element of 5paisa's business strategy and is integrated seamlessly across all of its business operations. The objective of the risk management process is to optimise the risk-return equation and ensure prudent financial management; along with meticulous compliance with all extant laws, rules, and regulations applicable to all its business activities.

Risk management is integral to the Company's strategy. A strong risk culture is designed to help reinforce resilience by encouraging a holistic approach to the management of risk throughout the organisation. The Company has invested in people, processes and technology to mitigate both external and internal risks.

The Company adopts the 'three lines-of-defence' (3 LOD) model, wherein management control at the business entity level is the first line of defence in risk management. Various risk control and compliance oversight functions, established by the management are the second line of defence. Finally, the third line comprises the internal audit/ assurance function.

The Company operates in the financial services space and is registered and regulated by SEBI for stock broking, depository participant, commodity broking and mutual funds. The Company has highly digitised processes which minimises the scope for omission and commission of errors and frauds.

The Company's exposure to various risks and their potential impact are detailed below:

- Market risk :

  As a financial services company, our business is materially affected by conditions in the domestic and global equity, debt, currency and financial markets and economic conditions in India and throughout the world. Our revenue, level of operations and, consequently, our profitability are largely dependent on favourable market conditions, a conducive regulatory and political environment, investor sentiment and other factors that affect the volume of trading in India and the level of interest in Indian business developments. A market downturn would likely lead to a decline in the volume of transactions that we execute for our customers and will result in decline in our revenues received from our business.

  The Company aims to mitigate inherent market risks by using sound investment policies, dedicated product advisory teams and regular monitoring of performance.

- Technology risk

  Our information technology systems may be vulnerable to computer viruses, piracy, hacking or similar disruptive problems. Computer viruses or problems caused by third parties could lead to disruptions in our services to our customers. Moreover, we may not operate an adequate disaster recovery system. Fixing such problems caused by computer viruses or security breaches may require interruptions, delays or temporary suspension of our services, which could result in lost revenue and dissatisfied customers. Breaches of our information technology systems, including through piracy or hacking may result in unauthorised access to our content. Such breaches of our information technology systems may require us to incur further expenditure to put in place more advanced security systems to prevent any unauthorised access to our networks. This may have a material adverse effect on our earnings and financial condition.

  Management periodically reviews various Technology risks such as protecting sensitive customer data, identity theft, cybercrimes, data leakage, business continuity, access controls, etc. We have put in place processes, systems and tools for ensuring vigilant monitoring, audit logging and suspicious activity reporting. Audit logs are reviewed for any anomalies and pattern deviations on a periodic basis. We have also implemented tools for mitigating various security risks - privileged identity management, advanced malware detection and protection, end-point encryption, mobile device management and secured internet access. The Company is ISO 27001:2013 certified as of March 31, 2020.

- Reputation risk

  We believe that continuing to build our brand, particularly in our business like financial services provider. Promoting and positioning our brand will depend largely on the success of our marketing efforts and our ability to provide high quality services. Brand promotion activities may not yield increased revenues, and even if they do, any increased revenue may not offset the expenses we incur in building our brand. If we fail to promote and maintain our brand, our business, financial condition and results of operations could be adversely affected.

  The Company has fostered a culture that enables operating managers to say 'No' to poor quality business. In addition, it has in place a stringent employee code of conduct and trading guidelines, which are to be followed by every employee. The Company's policies and processes ensure close monitoring and strict disciplinary actions against those deviating from the same. The organisation pays special attention to issues that may create a reputational risk. Events that can negatively impact the organisation position are handled cautiously ensuring utmost compliance and in line with the values of the organisation.

- Human resource risk

  We are exposed to the risk arising from misconduct, fraud or trading errors by our employees such as indulgence in unauthorised transactions by employees, misreporting of and non-compliance with various statutory and legal requirements, improper use of confidential information and operational errors. It may not always be possible to deter employees from or otherwise prevent misconduct or misappropriation of cash, and the precautions we take to detect and prevent these activities may not always be effective. Any instance of employee misconduct, fraud or improper use or disclosure of confidential information could result in regulatory and legal proceedings which if unsuccessfully defended, could materially and adversely affect our business operations, future financial performance and/ or reputation.

The Company has a strong focus on ensuring that employees are adequately trained in their job functions and on all compliance related trainings. The HR department ensures all statutory compliances with labour laws and other relevant statutes are strictly adhered to. We have in place strong background screening standards are in place to minimise any risk of fraud from incoming employees and there is effective segregation of duties to reduce risk of fraud.

Internal Controls

The Company's internal audit is conducted as per the Annual Audit Plan approved by the Audit Committee. The scope of internal audit covers all aspects of business including regular front-end and back-end operations and internal compliances. It lays emphasis to check on process controls, measures undertaken by the Company to monitor risk and to check on leakages or frauds. The Company has invested in ensuring that its internal audit and control systems are adequate and commensurate with the nature of business, regulatory prescriptions and the size of its operations.

The internal control system is supplemented by concurrent and internal audits, as well as special audits and regular reviews by the management. For Company-wide internal audits, the Company has distributed the audit of major businesses to separate top audit firm to have wider and heterogeneous verification approach and inputs, and derive larger value from the audit process. In this regard, the Company has in place Mahajan and Aibara for the purpose.

The Company also retains specialised audit firms to carry out specific / concurrent audit of some critical functions, such as half-yearly internal audit mandated by SEBI/ Exchanges, DP processes, Know Your Customer (KYC) verifications, demat transfers, pay-outs verifications, systems audit, end use verification audits and verification of related party transactions, among others. In addition, the Company complies with several specific audits mandated by regulatory authorities such as SEBI / Exchanges / Depositories, and the reports are periodically submitted to the regulators.

The Board/Audit Committee reviews the overall risk management framework and the adequacy of internal controls instituted by the management team. The Audit Committee reviews major instances of fraud on a quarterly basis and actions are taken on the same. It also focuses on the implementation of the necessary systems and controls to strengthen the system and prevent such recurrence. The internal processes have been designed to ensure adequate checks and balances, regulatory compliances at every stage. Internal audit team carries out a risk-based audit of these processes to provide assurance on the adequacy and effectiveness of internal controls for prevention, detection, reporting and remediation of frauds.

Internal Financial Controls

The 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.

Outlook

Despite the world economy shrinking, the Indian economy is expected to grow moderately in FY21 along with China. The growth is expected to be of a slow pace since the first half of the fiscal is expected to remain muted due to the lockdown across the country and slow revival thereon. The growth trajectory is expected to resume in the second half with public policy support and private participation. RBI has already stepped up announcing measures to infuse much-needed liquidity apart from incentivising banks to encourage credit flows via NBFCs, HFCs and MFIs to the MSME and consumer segments (auto and housing) to counter the severe impact on MSME cash flows and sustainability. In addition, the government needs to step in decisively and lead the turnaround through focused public policy and public spending. The outlook for the Indian economy looks relatively stable in FY21, but contingent upon the extent of the pandemic, its containment and revival of economic activities in the second half of FY21.

Our Company during the financial year gone by has made substantial investments in people, processes and technology and continues to focus on delivering steady performance. We are cognizant of the changes in the capital market and brokerage segment and well prepared to overcome challenges and sustain performance.

Independent Auditor's Report

To The Members of 5paisa Capital Limited

Opinion

We have audited the standalone Ind AS financial statements of 5paisa Capital Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2020, the Statement of Profit and Loss, Statement of Changes in Equity and Statement of Cash Flows for the year then ended and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, loss, total comprehensive income, changes in equity and cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Key Audit Matters

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

Key Audit Matter	Response to Key Audit Matter
The company has incurred losses which are mainly due to sales promotion and advertisement expenditure incurred in the last 4 years. Under Accounting Standard 22 – Accounting for taxes on Income, deferred tax assets arising from unused tax losses or tax credits can be recognised only to the extent that the entity has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which the unused tax losses or unused tax credits can be utilised by the entity. Determination of whether there sufficient taxable profits will be available against which the unused tax losses or unsecured tax credits can be utilized by the Company is a matter of judgement based on convincing other evidence. As a result, the recognition of the deferred tax asset was significant to our audit.	Our audit procedures included among others examining the future projections which are based on the judgement of the management taking into account that the company's volume of operations has substantially increased in the last year and the expenditure on sales promotion and advertisement is likely to be less in future. The management has also determined that the profits which will be earned in the future will be sufficient for setting off the carried forward losses in accordance with the provisions of the Income Tax Act, 1961. Accordingly we have found the future projections made by management for the purpose of recognition of deferred tax asset in the financial statements to be appropriate.

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 Management and Discussion Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

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

Other Matters

The comparative financial information of the Company for the year ended 31st March, 2019 and the transition date opening balance sheet as at 1st April, 2018 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with Companies (Accounting Standards) Rules, 2016 audited by us on which we had expressed an unmodified opinion vide our Audit Reports dated April 16, 2019 and April 17, 2018 respective, as adjusted for the differences in accounting principles adopted by the company on transition to the Ind AS, which have been audited by us.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

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

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

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the financial statements.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books

   c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account maintained for the purpose or preparation of the financial statements.

   d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

      In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its managing director during the year is in accordance with the provisions of section 197 of the Act.

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

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements- Refer Note No 29 of the financial statements.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **V. Sankar Aiyar & Co.,**
Chartered Accountants
(FRN 109208W)

(G SANKAR)
Partner
(M.No.46050)
UDIN: 20046050AAAABS6731

Place: Mumbai
Date: May 7, 2020

Annexure A to 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 2020

(i) (a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) As explained to us, the Company has a phased programme of verification of fixed assets once in 3 years which in our opinion is reasonable considering the size of the Company and nature of its fixed assets. Based on the information and explanation given to us and on verification of the records of the Company, the Company has last physically verified the fixed assets in December 2017 and no material discrepancies were observed on such verification.

(c) The Company does not have any immovable property. Therefore, paragraph 3(i)(c) of the Order is not applicable to the Company.

(ii) The Company is not carrying on any trading or manufacturing activity. Therefore, Paragraph 3(ii) of the Order is not applicable to the Company.

(iii) The Company has granted loans, unsecured to 1 company covered in the register maintained under Section 189 of the Companies Act, 2013:

(a) In our opinion, the rate of interest and other terms and conditions on which the loans had been granted to the Companies were not, prima facie, prejudicial to the interests of the Company;

(b) The borrowers have been regular in the payment of the principal and interest as stipulated;

(c) There are no overdue amounts as at the balance sheet date, in respect of these loans.

(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) The Company has not accepted any deposits from the public, within the meaning of Section 73 to 76 or any other relevant provisions of the Act and Rules framed thereunder. We are informed that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or other tribunal.

(vi) According to the information and explanations given to us, in respect of the class of industry the company falls under, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act. Therefore, paragraph 3(vi) of the Order is not applicable to the Company.

(vii) (a) According to the information and explanations given to us the Company is generally regular in depositing undisputed statutory dues including provident fund, employees state insurance, income tax , service tax, sales tax, value added tax, goods and services tax, cess and other statutory dues as applicable to the Company with the appropriate authorities. Further as explained, there are no undisputed statutory dues outstanding for more than six months as at 31st March 2019 from the date they became payable;

(b) According to the information and explanations given to us and records of the Company examined by us, there are no dues of Income Tax, Wealth Tax, Sales Tax, Service Tax, Value Added Tax, Goods and Services Tax, Excise Duty, Customs Duty and Cess which have not been deposited on account of any dispute.

(viii) According to the information and explanation given to us, the company has not defaulted in repayment of loans to banks. The Company has not taken any loans or borrowings from Government or financial institutions and did not have any dues to debenture holders during the year.

(ix) According to the information and explanations given to us, the Company has raised moneys by way of rights issue during the year and the monies so raised have been utilized for the purpose for which those were raised except to the extent of amount not utilized as at the end of the financial year which has been kept deposited in fixed deposit with banks pending such utilization. We are informed that the Company has not raised any monies by way of initial public offer or further public or term loans during the year. However the Company has raised monies by way of working capital loan and demand loan during the year and the monies so raised have been utilized for the purpose which those were raised.

(x) According to the information and explanations given to us, and based on the audit procedures performed and the representations obtained from the management, we report that no fraud by the company or on the Company by its officers or employees, having a material misstatement on the financial statements has been noticed or reported during the period under audit.

(xi) According to the information and explanations given to us and based on verification of records, the managerial remuneration has been paid in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V of the Companies Act, 2013.

(xii) In our Opinion and according to the information and explanations given to us, the Company is not a Nidhi Company and hence clause (xii) of the order is not applicable to the Company.

(xiii) According to the information and explanation given to us and based on verification of the records and approvals of the Audit Committee, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

(xv) According to the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with him. Therefore, paragraph 3(xv) of the Order is not applicable to the Company.

(xvi) According to the information and explanations given to us, the company is not required to be registered under Sec 45-IA of the Reserve Bank of India Act, 1934.

For **V. Sankar Aiyar & Co.,**
Chartered Accountants
(FRN 109208W)

(G SANKAR)
Partner
(M.No.46050)
UDIN: 20046050AAAABS6731

Place: Mumbai
Date: May 7, 2020

Annexure B to Auditor's Report

ANNEXURE REFERRED TO IN OUR REPORT OF EVEN DATE TO THE MEMBERS OF 5PAISA CAPITAL LIMITED ON THE STANDALONE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2020

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of 5paisa Capital Limited ("the Company") as of March 31st, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020 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)

(G SANKAR)
Partner
(M.No.46050)
UDIN: 20046050AAAABS6731

Place: Mumbai
Date: May 7, 2020

Standalone Balance Sheet

As at March 31, 2020

(₹ in Millions)

Particulars	Note No	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
ASSETS				
1. Financial Assets				
(a) Cash and cash equivalents	3	199.35	621.05	174.21
(b) Bank balance other than (a) above	4	2,505.32	512.25	112.25
(c) Receivables				
(I) Trade receivables	5	1.31	19.51	5.05
(II) Other receivables	5	6.04	0.05	2.89
(d) Loans	6	670.70	240.59	-
(e) Investments	7	109.45	54.67	56.59
(f) Other financial assets	8	2,409.07	1,120.39	750.40
Sub-total		**5,901.24**	**2,568.51**	**1,101.39**
2. Non-Financial Assets				
(a) Current tax assets (net)		15.16	4.25	1.43
(b) Deferred tax assets (net)	9	231.80	213.37	149.45
(c) Property, Plant and Equipment	10	16.60	16.00	12.49
(d) Right of use assets	11	57.72	-	-
(e) Intangible assets under development		-	0.75	0.05
(f) Other intangible assets	10	7.78	5.81	8.77
(g) Other non-financial assets	12	44.60	12.97	38.72
Sub-total		**373.66**	**253.15**	**210.91**
Total		**6,274.90**	**2,821.66**	**1,312.30**
LIABILITIES AND EQUITY				
LIABILITIES				
(1) Financial Liabilities				
(a) Payables				
(I) Trade 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	8.89	1.56	21.41
(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	169.21	61.67	53.12
(b) Borrowings (Other than debt securities)	14	2,191.93	920.12	161.47
(c) Other financial liabilities	15	2,459.70	1,349.76	435.07
Sub-total		**4,829.73**	**2,333.11**	**671.07**
(2) Non-Financial Liabilities				
(a) Provisions	16	4.87	3.61	1.25
(b) Other non-financial liabilities	17	57.54	35.34	11.07
Sub total		**62.41**	**38.95**	**12.32**
(3) EQUITY				
(a) Equity share capital	18	254.78	127.39	127.39
(b) Other equity	19	1,127.98	322.21	501.52
Sub total		**1,382.76**	**449.60**	**628.91**
Total		**6,274.90**	**2,821.66**	**1,312.30**
See accompanying notes forming part of Standalone Financial Statements	1-41			

As per our attached report of even date

For V Sankar Aiyar & Co.
Chartered Accountants
Firm's Registration No.109208W
By the hand of

G.Sankar
Partner
Membership No.: 046050

Place: Mumbai
Dated: May 07, 2020

For and on behalf of Board of Directors

Prakarsh Gagdani
Whole Time Director & CEO
(DIN: 07376258)

Santosh Jayaram
Whole Time Director
(DIN: 07955607)

Gourav Munjal
Whole Time Director & CFO
(DIN: 06360031)

Namita Godbole
Company Secretary

Standalone Statement of Profit and Loss

For the year ended March 31, 2020

(₹ in Millions)

Particulars	Note No	For the year ended March 31, 2020	For the year ended March 31, 2019
REVENUE FROM OPERATIONS			
(a) Interest income	20	230.84	26.22
(b) Fees and commission income	21	850.07	579.05
(I) Total revenue from operations		**1,080.91**	**605.27**
(a) Other income	22	0.45	1.49
(II) Total income		**1,081.36**	**606.76**
(III) Expenses			
(a) Finance cost	23	151.51	68.27
(b) Employee benefits expense	24	291.40	268.79
(c) Depreciation, amortisation and impairment	25	38.41	14.43
(d) Other expenses	26	696.41	508.04
(III) Total expenses		**1,177.73**	**859.53**
(IV) Profit/(Loss) before exceptional items and tax (II-III)		**(96.37)**	**(252.77)**
(V) Exceptional items		**-**	**-**
(VI) Profit/(Loss) before tax (IV-V)		**(96.37)**	**(252.77)**
(VII) Tax expense:	27		
(1) Current tax		-	-
(2) Deferred tax		(17.42)	(63.55)
(VIII) Profit/(Loss) for the period from continuing operations (VI-VII)		**(78.95)**	**(189.22)**
(IX) Profit/(Loss) from discontinued operations		-	-
(X) Tax Expense of discontinued operations		-	-
(XI) Profit/(Loss) from discontinued operations (after tax) (IX-X)		-	-
(XII) Profit/(Loss) for the period (VIII+XI)		**(78.95)**	**(189.22)**
Other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss		(2.52)	(1.45)
(ii) Income tax relating to items that will not be reclassified to profit or loss		1.00	0.38
Other Comprehensive Income (XIII)		**(1.52)**	**(1.07)**
Total Comprehensive Income for the period (XII) + (XIII) (Comprising Profit/(Loss) and other Comprehensive Income for the period)		**(80.47)**	**(190.29)**
Earnings per equity share of face value of ₹ 10 each	28		
Basic in (₹)		(3.39)	(14.85)
Diluted in (₹)		(3.39)	(14.85)
Restated Earnings per equity share of face value of ₹ 10 each	28		
Basic in (₹)		-	(9.75)
Diluted in (₹)		-	(9.75)

See accompanying notes forming part of Standalone Financial Statements 1-41

As per our attached report of even date

For V Sankar Aiyar & Co.
Chartered Accountants
Firm's Registration No.109208W
By the hand of

G.Sankar
Partner
Membership No.: 046050

Place: Mumbai
Dated: May 07, 2020

For and on behalf of Board of Directors

Prakarsh Gagdani
Whole Time Director & CEO
(DIN: 07376258)

Santosh Jayaram
Whole Time Director
(DIN: 07955607)

Gourav Munjal
Whole Time Director & CFO
(DIN: 06360031)

Namita Godbole
Company Secretary

Standalone Statement of Changes in Equity

For the year ended March 31, 2020

A. EQUITY SHARE CAPITAL

Particulars	As at March 31, 2020		As at March 31, 2019		As at April 1, 2018	
	No. of Shares	₹ in Millions	No. of Shares	₹ in Millions	No. of Shares	₹ in Millions
Equity Shares						
At the beginning of the year	12,739,022	127.39	12,739,022	127.39	12,739,022	127.39
Add: Shares issued during the year	12,738,646	127.39	-	-	-	-
Closing at the end of year	**25,477,668**	**254.78**	**12,739,022**	**127.39**	**12,739,022**	**127.39**

B. OTHER EQUITY

(₹ in Millions)

Particulars	Reserves and Surplus				Other items of Other Comprehensive Income	Total
	Securities Premium Reserve	Capital Reserve	Retained Earnings	Employee Stock option Reserve		
Balance as at April 1, 2018	**823.33**	**47.71**	**(369.06)**	**-**	**-**	**501.98**
Adjustments on account of transition to IND AS	-	-	(2.60)	2.14	-	(0.46)
Opening restated Balance as on April 1, 2018	**823.33**	**47.71**	**(371.66)**	**2.14**	**-**	**501.52**
Total comprehensive income for the year	-		(189.22)	10.98	(1.07)	(179.31)
Balance as at March 31, 2019	**823.33**	**47.71**	**(560.88)**	**13.12**	**(1.07)**	**322.21**
Total Comprehensive Income for the year	-	-	(78.95)	15.35	(1.52)	(65.12)
Additions during the period (Net of share issue expenses)	870.89	-	-	-	-	870.89
Balance as at March 31, 2020	**1,694.22**	**47.71**	**(639.83)**	**28.47**	**(2.59)**	**1,127.98**

See accompaying notes forming part of Standalone Financial statements (1 -41)

As per our attached report of even date

For V Sankar Aiyar & Co.
Chartered Accountants
Firm's Registration No.109208W
By the hand of

G.Sankar
Partner
Membership No.: 046050

Place: Mumbai
Dated: May 07, 2020

For and on behalf of Board of Directors

Prakarsh Gagdani
Whole Time Director & CEO
(DIN: 07376258)

Santosh Jayaram
Whole Time Director
(DIN: 07955607)

Gourav Munjal
Whole Time Director & CFO
(DIN: 06360031)

Namita Godbole
Company Secretary

Standalone Cash Flow Statement

For the year ended March 31, 2020

(₹ in Millions)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Cash Flows From Operating Activities		
Net Profit/(Loss) before taxation, and extraordinary item	(96.37)	(252.77)
Adjustments for:		
Depreciation, amortisation and impairment	38.41	14.43
Employee Stock Option Expenses	15.35	10.98
Provisions for Gratuity	1.86	0.85
Provisions for Leave Encashment	3.22	2.77
Interest Expenses	151.51	68.27
Capital Gain on Investments	-	(0.19)
Interest Income	(119.03)	(18.65)
Net Loss/(Gain) on Fair Value of Investments	-	0.92
Net Loss/(Gain) on sale of PPE & Intangible Assets	-	0.00
Operating Profit/(Loss) before working capital changes	**(5.05)**	**(173.39)**
(Increase)/Decrease in Trade Receivables	18.20	(14.46)
(Increase)/Decrease in Other Receivables	(5.99)	2.84
(Increase)/Decrease in Loans	(430.11)	(240.59)
(Increase)/Decrease in Other Non financial Liabilities	22.20	24.27
(Increase)/Decrease in Other Financial Assets	(1,288.68)	(369.99)
Increase/(Decrease) in Other Financial Liabilities	1,108.42	913.62
(Increase)/Decrease in Other Non-Financial Assets	(31.63)	25.75
Increase/(Decrease) in Provisions	(3.82)	(1.26)
Increase/(Decrease) in Trade Payable	7.33	(19.85)
Increase/(Decrease) in Other Payable	107.54	8.55
Cash generated from operations	**(501.59)**	**155.49**
Taxes	(11.92)	(3.19)
Net cash flow from/(used in) operating activities (A)	**(513.51)**	**152.30**
Cash Flows from Investing Activities		
(Purchase)/Sale of PPE & Intangible Assets (net)	(97.95)	(15.68)
(Purchase) / Sale Investments (Including in subsidiaries)	(54.78)	1.00
Capital Gain on Investment	-	0.19
Interest received	119.03	18.65
Net cash flow from/(used in) investing activities (B)	**(33.70)**	**4.16**
Cash Flows from Financing Activities		
Decrease in Bank Deposits	(1,993.07)	(400.00)
Increase in Share Capital	127.39	-
Increase in Share Premium (Net of share Issue Expenses)	870.89	-
Borrowed/ Repayment of Borrowings (Net)	1,271.81	758.65
Interest Expenses	(151.51)	(68.27)
Net cash flow from/(used in) financing activities (C)	**125.51**	**290.38**
Net increase/(decrease) in Cash and Cash Equivalents (A+B+C)	**(421.70)**	**446.84**
Cash and Cash Equivalents at beginning of Year	621.05	174.21
Cash and Cash Equivalents at end of Period	199.35	621.05
Net Increase/(Decrease) in Cash and Cash Equivalents	**(421.70)**	**446.84**

@Amount is less then ₹ 0.01 million hence shown as ₹ 0.00 million.

See accompaying notes forming part of Standalone Financial statements (1 -41)

As per our attached report of even date

For V Sankar Aiyar & Co.
Chartered Accountants
Firm's Registration No.109208W
By the hand of

G.Sankar
Partner
Membership No.: 046050

Place: Mumbai
Dated: May 07, 2020

For and on behalf of Board of Directors

Prakarsh Gagdani
Whole Time Director & CEO
(DIN: 07376258)

Santosh Jayaram
Whole Time Director
(DIN: 07955607)

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, 2020

NOTE 1. CORPORATE INFORMATION:

5paisa Capital Limited ["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.

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 March 31, 2020 has been prepared in accordance with Indian Accounting Standard ('Ind AS'). The Company is covered under the definition of NBFC and the Ind AS is applicable under Phase II as defined in notification dated March 30, 2016 issued by Ministry of Corporate Affairs (MCA), since the company is a listed company. Accordingly the Company is required to prepare the financial statement on the basis of Ind AS from the financial year beginning on 1 April 2019 with comparatives for the year ended March 31, 2019 with opening balances as on April 01, 2018. This financial statements for the year ended March 31, 2020 are company's first Ind AS financial statements.

The financial statement upto and for the year ended March 31, 2019, were prepared in accordance with the accounting principle generally accepted in India, including the Accounting Standards specified under section 133 of the Companies Act, 2013 (the 'Act'), read with Rule 7 of the Companies (Accounting Standard) Rule 2014 ('Previous GAAP' or 'Indian GAAP').

As these are Company's first financial statements prepared in accordance with Indian Accounting Standards, Ind AS 101 First Time Adoption of Indian Accounting Standards has been applied. Refer Note 36 "First-time adoption of Ind AS" for details of first time adoption.

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under Sec 133 of the Companies Act ("the Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 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 Million upto two decimal places, except otherwise indicated

The Standalone financial statements for the year ended March 31, 2020 are being authorised for issue in accordance with a resolution of the directors on May 7 , 2020.

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.

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2020 (Contd.)

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 capitalised if the recognition criteria are met. Expenses related to plans, designs and drawings of buildings or plant and machinery is capitalised 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 capitalised at cost and depreciated over their useful life. Subsequent expenditure relating to property, plant and equipment is capitalised only when it is probable that future economic benefit associates with these will flow into the Company and the cost of the item can be measured reliably.

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.

On transition to Ind AS, the Company has elected to continue with the carrying value for all of its PPE recognised as at April 1, 2018 measured as per the previous GAAP and use that varying value as the deemed cost of the PPE.

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 amortised 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 fixures *	5
Vehicles *	5

* For these class of assets, based on internal assessment and independent technical

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Notes forming part of Standalone Financial Statements

For the year ended March 31, 2020 (Contd.)

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 derecognised 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 recognised in the Statement of Profit and Loss when the item is derecognised.

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-Current 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 capitalised and the related expenditure is recognised 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 amortisation 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.

On transition to Ind AS, the Company has elected to continue with the carrying value for all its intangible assets as recognised as at April 1, 2018 measured as per the previous GAAP and use that carrying value as the deemed cost of the Intangible Assets.

Amortisation:

Intangible Assets with finite lives are amortised on a Straight Line basis over the estimated useful economic life. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Profit and Loss.

The amortisation period and the amortisation 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 derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the de-recognition of an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the intangible asset and is recognised in the Statement of Profit and Loss when the asset is derecognised.

d) **Impairment of Non-Financial Assets**

Assets that have an indefinite useful life are not subject to amortisation 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 amortisation 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 recognised 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 recognised in the Statement of Profit and Loss and included in depreciation and amortisation 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 recognised.

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 recognised when they are originated. The Company recognises a financial asset in its Balance Sheet when it becomes party to the contractual provisions of the instrument.

All financial assets are recognised 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 recognised 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 recognised 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 amortised 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)

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2020 (Contd.)

i. **Financial assets measured at amortised cost:**

A financial asset is measured at the amortised cost if both the following conditions are met:

a) The Company business model objective for managing the financial asset is to hold financial assets in order to collect contractual cash flows, and

b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

For the purpose of SPPI test, principal is the fair value of the financial asset at initial recognition. That principal amount may change over the life of the financial asset (e.g. if there are repayments of principal). Interest consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin. The SPPI assessment is made in the currency in which the financial asset is denominated. Contractual cash flows that are SPPI are consistent with a basic lending arrangement. Contractual terms that introduce exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are SPPI. An assessment of business models for managing financial assets is fundamental to the classification of a financial asset. The Company determines the business models at a level that reflects how financial assets are managed together to achieve a particular business objective. The Company business model does not depend on management's intentions for an individual instrument, therefore the business model assessment is performed at a higher level of aggregation rather than on an instrument-by-instrument basis.

This category generally applies to cash and bank balances, trade receivables, loans and other financial assets of the Company. Such financial assets are subsequently measured at amortised 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 amortisation 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 amortised cost at each reporting date. The corresponding effect of the amortisation under effective interest method is recognised as interest income over the relevant period of the financial asset.

The amortised 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 recognised in the Other Comprehensive Income (OCI). However, the Company recognises 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 recognised in OCI is reclassified from equity to Statement of Profit and Loss.

As at the balance sheet date, there are no financial assets which are measured at FVOCI.

iii. Investments in equity instruments at FVTOCI:

On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments. Dividend from these investments are recognised in the Statement of Profit and Loss when the Company right to receive dividends is established. As at the reporting dates, there are no equity instruments measured at FVOCI.

iv. Investments in equity instruments of subsidiaries & associates

Investments in equity instruments of subsidiaries are measured at cost.

v. Financial assets measured at FVTPL:

A financial asset is measured at FVTPL unless it is measured at amortised cost or at FVTOCI as explained above. This is a residual category applied to all other investments of the Company excluding investments in subsidiaries. Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognised 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 recognised under a business combination. Pursuant to such irrevocable election, subsequent changes in the fair value of such equity instruments are recognised in Statement of Profit and Loss. The Company recognises 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 derecognised (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

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2020 (Contd.)

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 recognise such financial asset to the extent of its continuing involvement in the financial asset. In that case, the Company also recognises 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 recognised 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 amortised 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 i and ii 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 recognised as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognised as loss allowance.

Subsequently, if the credit quality of the financial asset improves such that there is no longer a significant increase in credit risk since initial recognition, the Company reverts to recognizing impairment loss allowance based on 12-month ECL.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls) discounted at the original effective interest rate.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected 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 recognises a financial liability in its Balance Sheet when it becomes party to the contractual provisions of the instrument. All financial liabilities are recognised 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 recognised 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 recognised as a gain or loss in the Statement of Profit and Loss only to the extent that such gain or loss arises due to a change in factor that market participants take into account when pricing the financial liability.

Subsequent measurement:

All financial liabilities are initially recognised at fair value net of transaction cost that are attributable to the separate liabilities. All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Equity instruments:

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

Derecognition:

A financial liability is derecognised 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 derecognised and the consideration paid is recognised in the Statement of Profit and Loss.

i) **Fair Value:**

The Company measures financial instruments at fair value in accordance with the accounting policies mentioned above. Fair value is the price

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2020 (Contd.)

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 advantages 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 categorised within the fair value hierarchy that categorises 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 recognised 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 categorisation at the end of each reporting period and discloses the same.

j) 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 recognised 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.

k) **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 Company determines the probability of the income tax authorities accepting each such tax treatment or group of tax treatments in computing the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

Deferred tax:

Deferred tax is provided using the balance sheet method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes as at the reporting date. Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit under Income tax Act, 1961.

Deferred tax liabilities are generally recognised 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 recognised. Also, for temporary differences if any that may arise from initial recognition of goodwill, deferred tax liabilities are not recognised.

Deferred tax assets are generally recognised 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 utilised. 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 recognised.

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 utilised.

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.

Additional taxes that arise from the distribution of dividends by the Company are recognised directly in equity at the same time as the liability to pay the related dividend is recognised.

Presentation of current and deferred tax:

Current and deferred tax are recognised as income or an expense in the Statement of Profit and Loss, except when they relate to items that are recognised in Other Comprehensive Income, in which case, the current and deferred tax income/ expense are recognised in Other Comprehensive Income.

The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off he recognised amounts and where it intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. In case of deferred tax

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2020 (Contd.)

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 recognises provisions when a present obligation (legal or constructive) as a result of a past event exists and it is probable that an outflow of resources embodying economic benefits will be required to settle such obligation and the amount of such obligation can be reliably estimated. The amount recognised as a provision is the best estimate of the consideration require to settle the present obligation at the end of reporting period, taking into account the risk & uncertainties surrounding the obligation.

If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised 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.

m) Cash and Cash Equivalents :

Cash and cash equivalents for the purpose of Cash Flow Statement comprise cash and cheques in hand, bank balances, demand deposits with banks where the original maturity is three months or less and other short term highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

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

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

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

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

Step 4: Allocate the 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 recognised 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.

na) 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 recognised on a trade date basis.

o) Employee Benefits

Share-based payment arrangements:

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. The fair value determined at the grant date of the equity settled share-based payments is expensed on a straight line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in the Statement of Profit and Loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

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

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

Securities premium includes:

A. The difference between the face value of the equity shares and the consideration received in respect of shares issued pursuant to Stock Option Scheme.

B. The fair value of the stock options which are treated as expense, if any, in respect of shares allotted pursuant to Stock Options Scheme.

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2020 (Contd.)

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 recognised 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 recognises 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 recognises 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 recognised 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 recognised 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, 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 recognised 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 recognised 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 recognised 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 recognised 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 recognised 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.

p) Lease accounting :

The Company as a Lessee

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

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, 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 recognises 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 recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. 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 amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

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

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.

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2020 (Contd.)

For operating leases, rental income is recognised 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.

Transition :

Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the Company's incremental borrowing rate at the date of initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our annual Report for year ended March 31, 2020.

On transition, the adoption of the new standard resulted in recognition of 'Right of Use' asset of ₹ 93.69 million and a lease liability of ₹ 93.69 million. The effect of this adoption is insignificant on the profit before tax, profit for the period and earnings per share. Ind AS 116 will result in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

The following is the summary of practical expedients elected on initial application:

1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date
2. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application
3. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
4. Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2019 is 7.9 %.

q) Borrowing Cost:

Borrowing cost includes interest, amortisation 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 capitalised, if any. All other borrowing costs are expensed in the period in which they occur.

r) 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.

s) 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 recognised for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases.

b. Determination of the estimated useful lives of tangible assets

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technical or commercial obsolescence arising from changes or improvements in production or from a change in market demand of the product or service output of the asset.

c. Defined Benefit Obligation

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds corresponding to the probable maturity of the post-employment benefit obligations. Due to complexities involved in the valuation and its long term nature, defined benefit obligation is sensitive to changes in these assumptions. Further details are disclosed in Note 24.

d. Fair value measurement of Financial Instruments

When the fair values of financials assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques, 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.

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2020 (Contd.)

f. **Provision for litigations**

In estimating the final outcome of litigation, the Company applies judgment in considering factors including experience with similar matters, past history, precedents, relevant and other evidence and facts specified to the matter. Application of such judgment determines whether the Company requires an accrual or disclosure in the financial statements.

g. **Fair valuation of employee share options**

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

h. **Determining whether an arrangement containing a lease**

In determining whether an arrangement is, or contains a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease date if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset, even if that right is not explicitly specified in the arrangement.

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2020 (Contd.)

NOTE 3 : CASH AND CASH EQUIVALENTS

(₹ in Millions)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
Cash & cash equivalents			
Cash in hand	-	-	-
Cheques in hand	-	-	-
Balances with bank:			
- in current accounts	14.65	8.16	10.56
- in client accounts	184.70	612.89	163.65
Total Cash & cash equivalents	**199.35**	**621.05**	**174.21**

NOTE 4 : BANK BALANCE OTHER THAN ABOVE

(₹ in Millions)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
Fixed deposit with banks :			
Lien marked *	2,505.32	512.25	112.25
Total	**2,505.32**	**512.25**	**112.25**

*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, 2020	As at March 31, 2019	As at April 01, 2018
(i) Trade receivables			
- Receivables considered good - Unsecured	0.02	19.51	-
- Receivables which have significant increase in credit risk	1.65	-	5.61
- Receivables - credit impaired	-	0.45	-
Total (i) Gross	**1.67**	**19.96**	**5.61**
Less : Impairment loss allowance	0.36	0.45	0.56
Total (i) Net	**1.31**	**19.51**	**5.05**
(ii) Other receivables			
- Receivables considered good - Unsecured	6.04	0.05	2.89
Total (ii) Net	**6.04**	**0.05**	**2.89**

a) No trade or other receivables are due from directors or from other officers of the Company either severally or jointly with any other person nor any trade or other receivables are due from firms or private companies respectively in which any directors is a partner, director or a member as at March 31, 2020, March 31, 2019 & April 01, 2018.

b) No trade receivables and other receivables are interest bearing.

NOTE 6 : LOANS

(₹ in Millions)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
Loans repayable on demand			
Margin trading facility balances*	670.70	240.59	-
Total	**670.70**	**240.59**	**-**

* Loans to customers are secured by pledge of Shares/Bonds/Mutual Funds.

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2020 (Contd.)

NOTE 7: INVESTMENTS

(₹ in Millions)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
A) At cost			
Investment in equity shares of subsidiaries*			
- 5paisa P2P Limited	72.50	20.50	20.50
- 5paisa Insurance Brokers Limited	0.50	0.50	-
- 5paisa Trading Limited	0.50	-	-
B) At fair value through profit or loss			
Exchange Traded Fund			
EQ-SBISENSEXETF	2.25	1.25	2.13
EQ-SETFBANK EQ	1.80	1.70	0.39
EQ-SETFBSE100	10.75	1.48	2.27
EQ-SETFNIFTYNEXT 50 EQ	1.95	2.98	0.46
EQ-SETFNIFTY EQ	3.98	5.28	3.51
EQ-UTINIFTYETF	2.98	7.71	7.76
EQ-UTISENSEXETF	4.89	2.25	2.89
EQ-UTINEXT50	4.70	8.29	16.49
EQ-SETFSN50	1.13	1.90	-
EQ- SBIETFQLTY	0.10	0.82	-
EQ- UTISXN50	1.42	0.01	-
Investment in equity shares	**-**	**-**	**-**
DLF LIMITED	-	-	0.18
SUZLON ENERGY LIMITED	-	-	0.01
Total	**109.45**	**54.67**	**56.59**
- Investment outside India	-	-	-
- Investment in India	109.45	54.67	56.59
Total	**109.45**	**54.67**	**56.59**

* The Company has opted to measure investment in subsidiaries at deemed cost as per Ind AS 27.

NOTE 8 : OTHER FINANCIAL ASSETS

(₹ in Millions)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
Deposit/Margin with exchanges	2,002.16	103.96	322.48
Clients and Exchanges receivables (net of provision)#	361.40	1,000.40	425.78
Security deposit with landlords and others*	12.80	12.38	2.07
Interest accrued on deposits and investments	32.46	3.65	0.07
Receivable from related parties (Refer note 33)	0.25	-	-
Total	**2,409.07**	**1,120.39**	**750.40**

Includes receivable from director and key managerial personnel ₹ 0.62 million (March 31, 2019 ₹ NIL and April 01, 2018 ₹ Nil).

* Include deposit with related party of ₹ 10.8 million (March 31, 2019 ₹ 10.3 million and as at April 01, 2018 ₹ Nil million) Refer note 33.

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2020 (Contd.)

NOTE 9 : DEFERRED TAX ASSETS (NET)

(₹ in Millions)

Particulars	As at March 31, 2020			
	Opening balance as at April 1, 2019	Recognised in profit or loss	Recognised in/reclassified from OCI	Closing balance
Deferred tax assets:				
Depreciation on property,plant and equipment	0.89	0.73	-	1.62
Provisions for doubtful receivables/other financial asset (Including expected credit loss)	1.33	2.59	-	3.92
Compensated absences and retirement benefits	2.11	(1.19)	1.00	1.91
Tax on business Loss carry-forward *	203.91	19.14	-	223.05
Others	5.40	(2.61)	-	2.79
Total deferred tax assets (a)	**213.64**	**18.66**	**1.00**	**233.30**
Deferred tax liabilities:				
Unrealised profit on investments	(0.27)	0.27	-	-
On Lease Rentals as per tax	-	(1.50)	-	(1.50)
Total deferred tax liabilities (b)	**(0.27)**	**(1.23)**	**-**	**(1.50)**
Deferred tax assets (a) + (b)	**213.37**	**17.43**	**1.00**	**231.80**

(₹ in Millions)

Particulars	As at March 31, 2019			
	Opening balance as at April 1, 2018	Recognised in profit or loss	Recognised in/reclassified from OCI	Closing balance
Deferred tax assets:				
Depreciation on property,plant and equipment	0.02	0.87	-	0.89
Provisions for doubtful receivables/other financial asset (Including expected credit loss)	0.35	0.98	-	1.33
Compensated absences and retirement benefits	0.88	0.85	0.38	2.11
Tax on business Loss carry-forward *	148.11	55.80	-	203.91
Others	0.12	5.28	-	5.40
Total deferred tax assets (a)	**149.48**	**63.78**	**0.38**	**213.64**
Deferred tax liabilities:				
Unrealised profit on investments	(0.03)	(0.24)	-	(0.27)
On Lease Rentals as per tax	-	-	-	-
Total deferred tax liabilities (b)	**(0.03)**	**(0.24)**	**-**	**(0.27)**
Deferred tax assets (a) + (b)	**149.45**	**63.54**	**0.38**	**213.37**

* Considering the future projections and that the carried forward losses are only for the last 3 years primarily on account of expenditure on sales promotion and advertisement incurred in the early years which is likely to be less in future, the Company is of the opinion that sufficient taxable income will be available in future against which the deferred tax assets arising from carried forward business loss can be utilised.

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2020 (Contd.)

NOTE 10 : PROPERTY, PLANT AND EQUIPMENT

Tangible Assets:

(₹ in Millions)

Particulars	Computer	Electrical Equipment	Furniture & Fixture	Office Equipment	Total
Cost:					
As at April 1, 2018 *	**9.60**	**0.78**	**1.40**	**0.71**	**12.49**
Additions	8.46	1.74	1.47	1.65	13.32
Deductions/Adjustments	-	-	0.00	0.00	0.00
As at March 31, 2019	**18.06**	**2.52**	**2.87**	**2.36**	**25.81**
Additions	14.31	0.44	-	0.71	15.46
Disposals/Adjustments	6.47	-	-	0.25	6.72
As at March 31, 2020	**25.90**	**2.96**	**2.87**	**2.82**	**34.55**
Accumulated Depreciation:					
As at April 1, 2018 *	**-**	**-**	**-**	**-**	**-**
Depreciation charge for the year	6.84	0.54	0.79	1.64	9.81
Deductions/Adjustments	-	-	0.00	0.00	0.00
As at March 31, 2019	**6.84**	**0.54**	**0.79**	**1.64**	**9.81**
Depreciation charge for the year	9.24	0.55	0.61	0.75	11.15
Deductions/Adjustments	2.85	-	-	0.16	3.01
As at March 31, 2020	**13.23**	**1.09**	**1.40**	**2.23**	**17.95**

Net Book Value:

(₹ in Millions)

Particulars	Computer	Electrical Equipment	Furniture & Fixture	Office Equipment	Total
As at April 1, 2018	9.60	0.78	1.40	0.71	12.49
As at March 31, 2019	11.22	1.98	2.08	0.72	16.00
As at March 31, 2020	**12.67**	**1.87**	**1.47**	**0.59**	**16.60**

Other intangible assets (other than internally generated):

(₹ in Millions)

Particulars	Software	Total
Cost:		
As at April 1, 2018 *	**8.77**	**8.77**
Additions	1.66	1.66
Deductions/Adjustments	-	-
As at March 31, 2019	**10.43**	**10.43**
Additions	6.77	6.77
Deductions/Adjustments	-	-
As at March 31, 2020	**17.20**	**17.20**

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2020 (Contd.)

(₹ in Millions)

Particulars	Software	Total
Accumulated Depreciation:		
As at April 1, 2018*	**-**	**-**
Depreciation charge for the year	4.62	4.62
Deductions/Adjustments	-	-
As at March 31, 2019	**4.62**	**4.62**
Depreciation charge for the year	4.80	4.80
Deductions/Adjustments	-	-
As at March 31, 2020	**9.42**	**9.42**

Net Book Value:

(₹ in Millions)

Particulars	Software	Total
As at April 1, 2018*	8.77	8.77
As at March 31, 2019	5.81	5.81
As at March 31, 2020	**7.78**	**7.78**

Note :- @ Amount is less then ₹ 0.01 million hence shown as ₹ 0.00 million.

(a) Refer Note 30 for assets given on pledge.

* Cost as at April 01, 2018 is at deemed cost.

NOTE 11 : RIGHT OF USE ASSETS

(₹ in Millions)

Particular	Premises	Vehicle	Total
Lease commitments as at March 31, 2019	**-**	**-**	**-**
Add/(less): contracts reassessed as lease contracts	-	3.19	3.19
Add/(less): adjustments on account of extension/termination	90.50	-	90.50
Lease liabilities as on April 01, 2019	**90.50**	**3.19**	**93.69**

A) The impact of change in accounting policy on account on adoption of Ind AS 116 is as follows :

(₹ in Millions)

Particular	Amount
Increase in lease liability	93.69
Increase in rights of use assets	93.69
Increase/(Decrease) in Deferred tax assets	(1.50)
Increase/(Decrease) in finance cost	6.45
Increase/(Decrease) in depreciation	22.46

B) Following are the changes in the carrying value of right of use assets for the period ended March 31, 2020:

(₹ in Millions)

Particular	Premises	Vehicle	Total
Balance as at April 01, 2019	**90.50**	**3.19**	**93.69**
Additions to ROU	0.54	-	0.54
Deletions to ROU	14.05	-	14.05
Depreciation	21.02	1.44	22.46
Closing Balance as at March 31, 2020	**55.97**	**1.75**	**57.72**

Note: The aggregate depreciation expense on ROU assets is included under depreciation and amortisation expense in the statement of Profit and Loss.

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2020 (Contd.)

C) The following is the movement in lease liabilities during the year ended March 31, 2020:

(₹ in Millions)

Particular	Premises	Vehicle	Total
Balance as at April 01, 2019	**90.50**	**3.19**	**93.69**
Additions	0.54	-	0.54
Deletion	14.05	-	14.05
Finance cost accrued during the period	6.21	0.24	6.45
Payment of lease liabilities	(24.11)	(1.60)	(25.71)
Balance as at March 31, 2020	**59.09**	**1.83**	**60.92**

D) Following is the break up value of the Current and Non - Current Lease Liabilities for the period ended March 31, 2020:

(₹ in Millions)

Particular	Premises	Vehicle	Total
Current lease liabilities	17.96	1.39	19.35
Non-current lease liabilities	41.13	0.44	41.57
Total	**59.09**	**1.83**	**60.92**

E) Table showing details regarding the contractual maturities of lease liabilities as at March 31, 2020 on an discounted basis:

(₹ in Millions)

Particular	Premises	Vehicle	Total
Less than one year	17.96	1.39	19.35
One to two years	13.41	0.20	13.61
Two to five years	27.72	0.24	27.97
Total	**59.09**	**1.83**	**60.92**

F) Amounts recognised in profit or loss

(₹ in Millions)

Particular	As at March 31, 2020
Interest on lease liabilities	6.25
Variable lease payments not included in the measurement of lease liabilities	-
Income from sub-leasing right-of-use assets	-
Expenses relating to leases of low-value assets, excluding short-term leases of low value assets	0.20
Total	**6.45**

G) Amounts recognised in the cash flows statements

(₹ in Millions)

Particular	As at March 31, 2020
Total cash outflow for leases	25.71

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2020 (Contd.)

NOTE 12 : OTHER NON-FINANCIAL ASSETS

(₹ in Millions)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
Prepaid expenses	9.95	5.70	3.44
GST credit receivable	20.04	2.58	31.28
Capital advance	-	-	0.96
Other advances	14.61	4.69	3.04
Total	**44.60**	**12.97**	**38.72**

NOTE 13 : PAYABLES

(₹ in Millions)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
(I) Trade Payable			
(i) total outstanding dues of micro enterprises and smal enterprises	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	8.89	1.56	21.41
Total (a)	**8.89**	**1.56**	**21.41**
(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	0.97	0.34	0.34
(b) Accrued salaries & benefits	0.16	0.23	2.07
(c) Provision for expenses	168.08	61.10	50.71
Total (b)	**169.21**	**61.67**	**53.12**
Total (a+b)	**178.10**	**63.23**	**74.53**

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:

Particulars	FY 2019-20	FY 2018-19	FY 2017-18
(a) Principal amount remaining unpaid to any supplier at the year end	-	-	-
(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, 2020 (Contd.)

NOTE 14 : BORROWINGS (OTHER THAN DEBT SECURITIES)

(₹ in Millions)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
At amortised cost			
(a) Loans repayable on demand (from banks) : Secured			
- Working capital demand loan	200.00	-	-
- Bank Overdraft	991.93	630.12	161.47
(b) Other loans : Unsecured			
- Loan from related parties (Refer note 33)	1,000.00	290.00	-
Total (c) = (a)+ (b)	**2,191.93**	**920.12**	**161.47**
Borrowings in India	2,191.93	920.12	161.47
Borrowings outside India	-	-	-
Total	**2,191.93**	**920.12**	**161.47**

(a) (i) Working Capital Demand Loan (WCDL) and bank overdraft are secured by way of fist pari-passu charge on all receivable to the tune of 1.5 times of the outstanding facility amount and fixed deposits. Refer note 30 for details of asset pledged.

(ii) Loan from related parties are unsecured.

(b) Tenure 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 @ 11.4% p.a (Lending banks MCLR rate 8.55% + Spread 2.85%), Interest is payable monthly basis on the last date of each month.

(ii) For Bank Overdraft Interest rate is fixed deposit rates + Spread varies (0.75% to 1.25%)

(iii) Loan from related parties interest rate is in the range @10.07 to 10.60% p.a as approved by the board.

NOTE 15 : OTHER FINANCIAL LIABILITIES

(₹ in Millions)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
Clients and Exchanges payables #	2,389.21	1,337.41	429.60
Payable to related parties (Refer note 33)	-	1.59	-
Lease liability (Refer note 11)	60.92	-	-
Provision for gratuity (funded)	2.71	4.47	2.13
Other payable	6.86	6.29	3.34
Total	**2,459.70**	**1,349.76**	**435.07**

Include payable to directors & key managerial personnel of ₹ 0.13 million (March 31, 2019 ₹ Nil and as at April 1, 2018 ₹ Nil)

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2020 (Contd.)

NOTE 16 : PROVISIONS

(₹ in Millions)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
Provision for leave encashment	4.87	3.61	1.25
Total	**4.87**	**3.61**	**1.25**

NOTE 17 : OTHER NON-FINANCIAL LIABILITIES

(₹ in Millions)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
Statutory dues	46.75	14.55	10.19
Income received in advance	10.79	20.79	0.88
Total	**57.54**	**35.34**	**11.07**

NOTE 18 : EQUITY SHARE CAPITAL

a. The Authorised, Issued, Subscribed and Paid up Share Capital:

(₹ in Millions)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
Authorised Share Capital			
At the beginning of the year	300.00	300.00	300.00
Add: Increase in authorised share capital	500.00	-	-
Closing at the end of year	**800.00**	**300.00**	**300.00**
80,000,000 (Previous Year 30,000,000) Equity Shares of ₹ 10/- each	800.00	300.00	300.00
Issued, Subscribed and Paid-up Share Capital			
25,477,668 (Previous Year 12,739,022) Equity Shares of ₹ 10/- each fully paid-up	254.78	127.39	127.39

b. Reconciliation of the shares outstanding at the beginning and at the end of the year:

Particulars	As at March 31, 2020		As at March 31, 2019		As at April 1, 2018	
	No. of Shares	₹ in Millions	No. of Shares	₹ in Millions	No. of Shares	₹ in Millions
Equity Shares						
At the beginning of the year	12,739,022	127.39	12,739,022	127.39	12,739,022	127.39
Add: Shares issued during the year (Refer note 36)	12,738,646	127.39	-	-	-	-
Closing at the end of year	**25,477,668**	**254.78**	**12,739,022**	**127.39**	**12,739,022**	**127.39**

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. The Company declares and pays dividend in Indian Rupees.

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.

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2020 (Contd.)

d. Details of shareholders holding more than 5% shares in the Company:

Particulars	As at March 31, 2020		As at March 31, 2019		As at April 1, 2018	
	No. of Shares	% of holding in the class	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.	6,771,314	26.58	3,385,657	26.58	3,385,657	26.58
Nirmal Bhanwarlal Jain	5,600,088	21.98	2,228,600	17.49	2,178,600	17.10
HWIC Asia Fund Class A Shares	2,269,002	8.91	1,134,501	8.91	1,134,501	8.90
Madhu N Jain	1,365,016	5.36	680,000	5.34	680,000	5.34

e. 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.

f. Shares reserved for issue under options and contracts/commitments for sale of shares/disinvestments, including the terms and amount, refer note 19 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
	Securities Premium Reserve	Capital Reserve	Retained Earnings	Employee Stock option Reserve		
Balance as at April 1, 2018	**823.33**	**47.71**	**(369.06)**	**-**	**-**	**501.98**
Adjustments on account of transition to Ind AS	-	-	(2.60)	2.14	-	(0.46)
Opening restated balance as on April 1, 2018	**823.33**	**47.71**	**(371.66)**	**2.14**	**-**	**501.52**
Total comprehensive income for the year	-	-	(189.22)	10.98	(1.07)	(179.31)
Balance as at March 31, 2019	**823.33**	**47.71**	**(560.88)**	**13.12**	**(1.07)**	**322.21**
Total comprehensive income for the year	-		(78.95)	15.35	(1.52)	(65.12)
Additions during the period (Net of share issue expenses)	870.89	-			-	870.89
Balance as at March 31, 2020	**1,694.22**	**47.71**	**(639.83)**	**28.47**	**(2.59)**	**1,127.98**

Footnotes: Nature and purpose reserves

i) Capital reserves : Capital reserve is created as per scheme of arrangement where undertaking including all assets and liablities of undertaking were transferred to and vested by IIFL Finance Limited (previosuly known as IIFL Holding Limited).

ii) Securities premium : Securities premium represents the surplus of proceeds received over the face value of shares, at the time of issue of shares.

iii) Retained earnings : The balance in retained earnings primarily represents the surplus/deficit.

iv) Employee stock option reserve : Employee stock option reserve accounts represents reserve created on fair value of options against the options granted by the Company and outstanding as at balance sheet date.

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2020 (Contd.)

NOTE 20 : INTEREST INCOME

(₹ in Millions)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest on deposits with banks *	118.72	18.35
Interest on loan (Margin Funding Facilities)	112.09	7.80
Other interest income	0.03	0.07
Total	**230.84**	**26.22**

* Includes interest received on fixed deposit with bank which are pledged with exchanges for margin money requirement.

NOTE 21 : FEES AND COMMISSION INCOME

(₹ in Millions)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Brokerage & related income	728.85	505.46
Commission & other advisory fees (incl. cross sell)	121.22	73.59
Total	**850.07**	**579.05**

NOTE 22 : OTHER INCOME

(₹ in Millions)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest Income on		
- Inter corporate deposit	0.02	-
- Others	0.31	0.30
Capital Gain - Mutual Fund	-	0.19
Gain on financial assets measured at fair value through Profit & Loss account	-	0.92
Dividend Income	-	0.03
Gain/(Loss) on derecognisation of property,plant and equipment	-	0.00
Other Income	0.12	0.05
Total	**0.45**	**1.49**

@Amount is less then ₹ 0.01 million hence shown as ₹ 0.00 million.

NOTE 23 : FINANCE COST MEASURED AT AMORTISED COST

(₹ in Millions)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest on borrowings	136.24	64.91
Other borrowing cost	15.27	3.36
Total	**151.51**	**68.27**

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2020 (Contd.)

NOTE 24 : EMPLOYEE BENEFIT EXPENSES

(₹ in Millions)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Salaries/wages and bonus	252.36	235.88
Contribution to provident and other funds	15.14	14.42
Share based payments (Refer note 34)	15.38	10.98
Staff welfare expenses	3.44	3.89
Gratuity	1.86	0.85
Leave encashment	3.22	2.77
Total	**291.40**	**268.79**

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, 2020	For the year ended March 31, 2019
Defined benefit obligation as at beginning of year	**4.47**	**2.13**
Interest cost	0.32	0.16
Current service cost	1.54	0.69
Service Cost	-	-
Liability transferred In/ acquisitions	0.67	0.28
(Liability transferred out/ divestments)	(0.48)	(0.17)
(Benefit paid directly by the Employer)	(0.08)	(0.07)
(Benefit paid from the fund)	-	-
Actuarial (gains)/losses on obligations - due to change in demographic assumptions assumptions	-	0.06
Actuarial (gains)/losses on obligations - due to change in financial assumptions	1.34	1.20
Actuarial (gains)/losses on obligations - due to experience	0.93	0.19
Defined benefit obligation at the end of the year	**8.71**	**4.47**

(ii) Reconciliation of opening and closing balances of fair value of Plan Assets

(₹ in Millions)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Change in the fair value of plan assets	-	-
Fair value of plan assets at the beginning of the year	-	-
Interest income	-	-
Contributions by the employer	6.24	-
Expected return on plan assets (excluding interest)	-	-
Assets transferred in/acquisitions	-	-
(Benefit paid from the fund)	-	-
Return on plan Assets, excluding interest income	(0.24)	
Fair value of plan assets at the end of the year	**6.00**	**-**

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2020 (Contd.)

(iii) Amount Recognised in the Balance Sheet

(₹ in Millions)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
(Present Value of Benefit Obligation at the end of the year)	**(8.71)**	**(4.47)**
Fair value of Plan Assets at the end of the year	6.00	-
Funded Status - Surplus / (Deficit)	(2.71)	(4.47)
Net (liability)/Asset recognised in the balance sheet (surplus/ (deficit))	**(2.71)**	**(4.47)**

(iv) Expenses recognised during the year

(₹ in Millions)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
In Income statement		
Current service cost	1.54	0.69
Net interest cost	0.32	0.16
Past service cost	-	-
Expense recognised in the Statement of Profit and Loss under " Employee benefits expenses"	**1.86**	**0.85**
In other comprehensive income	-	-
Actuarial (gains)/Losses on obligation for the period	2.28	1.45
Return on plan assets, excluding interest income	0.23	-
Change in asset ceiling	-	-
Net (income)/expense for the year recognised in OCI	**2.51**	**1.45**

(v) Balance sheet reconciliation

(₹ in Millions)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Opening net liability	**4.47**	**2.13**
Expenses Recognised in Statement of Profit or Loss	1.86	0.85
Expenses Recognised in OCI	2.51	1.45
Net Liability/(Asset) Transfer In	0.67	0.28
Net (Liability)/Asset Transfer Out	(0.48)	(0.17)
(Benefit Paid Directly by the Employer)	(0.08)	(0.07)
(Employer's Contribution)	(6.24)	-
Net liability/(asset) recognised in the balance sheet	**2.71**	**4.47**

(vi) Investment Details

(₹ in Millions)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Category of assets		
Insurance fund	6.00	-
Total	**6.00**	**-**

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2020 (Contd.)

(vii) Actuarial assumptions

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Expected return on plan assets	6.24%	N.A.
Rate of discounting	6.24%	7.07%
Rate of salary increase	10.00%	10.00%
Rate of employee turnover	For service 4 years and below 42% p.a. & thereafter 1% p.a.	For service 4 years and below 43% p.a. & thereafter 1% p.a.
Mortality rate during employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
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 trade ,expected salary increase and employee turnover. The sensitivity analysis below, have been determined based on reasonably possible changes of the assumptions occurring at end of the reporting year , while holding all other assumptions constant. The result of Sensitivity analysis is given below:

(₹ in Millions)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Projected Benefit Obligation on Current Assumptions		
Delta Effect of +1% Change in Rate of Discounting	(1.58)	(0.73)
Delta Effect of -1% Change in Rate of Discounting	2.06	0.95
Change in Salary Escalation Rate		
Delta Effect of +1% Change in Rate of Salary Increase	1.51	0.72
Delta Effect of -1% Change in Rate of Salary Increase	(1.25)	(0.58)
Change in Employee Turnover Rate		
Delta Effect of +1% Change in Rate of Employee Turnover	(0.51)	(0.23)
Delta Effect of -1% Change in Rate of Employee Turnover	0.61	0.26
Weighted Average Duration of the Projected Benefit Obligation		

These plans typically expose the Company to following risks:

Investment risk : The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

Interest risk : A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2020 (Contd.)

Longevity risk : The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability

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, 2020	For the year ended March 31, 2019
1st Following Year	0.71	-
2nd Following Year	0.05	-
3rd Following Year	0.06	-
4th Following Year	0.07	-
5th Following Year	0.08	-
Sum of Years 6 To 10	0.52	-
Sum of Years 11 and above	37.06	-

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, 2020	For the year ended March 31, 2019
Contribution to provident fund	5.67	4.32
Contribution to ESIC	2.39	3.81
Contribution to labour welfare fund	0.03	0.03
Contribution to EPS	7.05	6.26
Contribution to NPS	0.00	-
Total	**15.14**	**14.42**

@Amount is less then ₹ 0.01 million hence shown as ₹ 0.00 million.

NOTE 25 : DEPRECIATION, AMORTISATION AND IMPAIRMENT

(₹ in Millions)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Depreciation on property, plant and equipment *	33.61	9.81
Amortisation of intangible assets	4.80	4.62
Total	**38.41**	**14.43**

* Depreciation for current year includes depreciation on right of use assets (Refer note 11).

Notes forming part of Standalone Financial Statements
For the year ended March 31, 2020 (Contd.)

NOTE 26 : OTHER EXPENSES

(₹ in Millions)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Advertisement expenses	213.95	220.36
Books & Periodicals Charges	0.03	0.01
Exchange And Statutory Charges	19.33	8.30
Business promotion expense	65.95	47.59
Marketing expenses	60.29	15.47
Bank charges	2.01	1.60
Communication expense	21.89	19.38
Electricity charges	13.23	12.59
Legal and Professional charges	120.83	35.97
Office Expenses	96.01	65.23
Subscription charges	0.53	0.74
Directors Remunertion/Sitting Fees	0.90	1.02
Postage and courier	0.49	0.49
Printing and stationery	2.94	1.50
Expected credit loss (including provision for doubtful and bad debts)	11.09	3.55
Rent expenses	-	29.56
Insurance	0.59	0.31
Rates & Taxes	0.49	1.47
Repairs & Maintenance	-	-
- Computer	0.53	0.65
- Others	1.66	3.27
Remuneration to Auditors :	-	-
- As auditors - Statutory Audit	0.58	0.25
- As auditors - Other Audit	-	-
- Certification work and other matters	0.23	0.67
- Out of pocket expenses	0.02	0.04
Software charges	54.24	29.91
Travelling and Conveyance	6.54	7.24
Loss on sale of of property,plant and equipment	0.00	-
Loss on financial assets measured at fair value through profit & loss account	1.33	-
Miscellaneous Expenses	0.73	0.87
Total	**696.41**	**508.04**

@Amount is less then ₹ 0.01 million hence shown as ₹ 0.00 million.

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2020 (Contd.)

NOTE 27 : INCOME TAX

Amount Recognised in profit or (loss) (₹ in Millions)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Current tax expenses		
Current Year	-	-
Changes in estimates related to prior years	-	-
Deferred tax expenses		
Origination and reversal of temporary differences	(17.42)	(63.55)
Total (i) + (ii)	**(17.42)**	**(63.55)**

Reconciliation of effective tax rates : (₹ in Millions)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit before tax	(96.37)	(252.77)
Tax using domestic tax rates	25.17%	26.00%
Tax amount	(24.26)	(65.72)
Tax effect of :		
Non-deductible expenses	-	0.00
Tax-exempt income	-	(0.01)
Change in tax rate *	6.65	(1.26)
Recognition of previously unrecognised deductible temporary differences	0.19	3.44
Total Income Tax Expense	**(17.42)**	**(63.55)**

@Amount is less then ₹ 0.01 million hence shown as ₹ 0.00 million.

* The recently promulgated Taxation Laws (Amendment) Ordinance 2009 has inserted section 115BAA in the income Tax Act 1961 providing existing domestic companies with an option to pay tax at concessional rate of 22% plus applicable surcharge & cess. The reduced tax rates come with the consequential surrender of specified deductions & incentives. The option needs to be exercised within the prescribed time for filing the return of income under section 139(1) of the income tax Act 1961 for assessment year (AY) 20-21 or subsequent AYs. Once exercised, such an option cannot be withdrawn for the same or subsequent AYs.

These financial results are prepared on the basis that the company would avail the option to pay income Tax at the lower rate. Consequently, wherever applicable, the opening deferred tax assets (net) has been measured at the lower rate, with a one-time corresponding charges of ₹ 6.65 million to the statement of profit & loss.

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2020 (Contd.)

NOTE 28 : EARNING PER SHARE (EPS)

(₹ in Millions)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Face value of equity shares in ₹ fully paid up	10	10
BASIC		
Profit after tax as per statement of profit and loss (A)	(78.95)	(189.22)
Weighted average number of equity shares outstanding (B)	25,477,668	12,739,022
Basic Earning per Share (₹) A/B	**(3.39)**	**(14.85)**
Restated Earnings per equity share of face value of ₹ 10 each #	**-**	**(9.75)**
DILUTED		
Weighted average number of equity shares for computation of basic EPS	25,477,668	12,739,022
Add: Potential equity shares on account conversion of Employees Stock Options	7,257	-
Weighted average number of equity shares for computation of diluted EPS (C)	25,484,925	12,739,022
Diluted Earning per Share (₹) A/C	**(3.39)**	**(14.85)**
Restated Diluted Earnings per equity share of face value of ₹ 10 each #	**-**	**(9.75)**

Pursuant to right issue of shares during the year.

NOTE 29 : CAPITAL, OTHER COMMITMENTS AND CONTINGENT LIABILITIES AT BALANCE SHEET DATE:

Capital and other commitment (₹ in Millions)

Particulars	March 31, 2020	March 31, 2019	April 01, 2018
(i) Capital Commitment	4.95	0.94	1.11
(ii) Other Commitment	-	-	-

Contingent Liabilities

Particulars	March 31, 2020	March 31, 2019	April 01, 2018
(i) Bank Guarantees	1,250.00	500.00	500.00
(ii) Claim againsts the company not acknowledge as debts*	-	0.47	-
Total	**1,250.00**	**500.47**	**500.00**

* The Company is subject to legal proceedings and claims which arises in the ordinary course of the business. The Company's management does not reasonably expect that these legal actions, when ultimately concluded and determined, will have material and adverse effect on the Company's financial position.

NOTE 30 : ASSETS PLEDGED AS SECURITY

The carrying amounts of assets pledged as security for borrowings are: (₹ in Millions)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
Financial assets			
First charge			
Other financial assets	916.12	-	-
Total assets pledged as security	**916.12**	**-**	**-**

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2020 (Contd.)

NOTE 31 : FINANCIAL RISK MANAGEMENT

31 A.1. Credit Risk

Credit risk refers to risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises primarily from financial assets such as trade receivables, investments, derivative financial instruments, other balances with banks, loans and other receivables and other financial asset.

Credit quality analysis

The following tables sets out information about the credit quality of financial assets measured at amortised cost, FVOCI debt investments. Unless specifically indicated, for financial assets, the amounts in the table represent gross carrying amounts.

(₹ in Millions)

Particulars	As at March 31, 2020			
	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	0.02	1.65	-	1.67
Less : Impairment loss allowance	-	(0.36)	-	(0.36)
Carrying amount	**0.02**	**1.29**	**-**	**1.31**
Other Financial Assets	2,375.61	41.56	7.12	2,424.29
Less : Impairment loss allowance	-	(8.10)	(7.12)	(15.22)
Carrying amount	**2,375.61**	**33.46**	**-**	**2,409.07**

(₹ in Millions)

Particulars	As at March 31, 2019			
	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	19.51	-	0.45	19.96
Less : Impairment loss allowance	-	-	(0.45)	(0.45)
Carrying amount	**19.51**	**-**	**-**	**19.51**
Other Financial Assets	1,116.12	5.86	3.08	1,125.06
Less : Impairment loss allowance	-	(1.59)	(3.08)	(4.67)
Carrying amount	**1,116.12**	**4.27**	**-**	**1,120.39**

(₹ in Millions)

Particulars	As at April 1, 2018			
	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	-	5.61	-	5.61
Less : Impairment loss allowance	-	(0.56)	-	(0.56)
Carrying amount	**-**	**5.05**	**-**	**5.05**
Other Financial Assets	742.60	8.65	0.19	751.44
Less : Impairment loss allowance	-	(0.85)	(0.19)	(1.04)
Carrying amount	**742.60**	**7.80**	**-**	**750.40**

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2020 (Contd.)

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
April 01, 2018	**1.41**	**0.19**	**1.60**
Increase/(Decrese) net	0.18	3.34	3.52
March 31, 2019	**1.59**	**3.53**	**5.12**
Increase/(Decrese) net	6.87	3.59	10.46
March 31, 2020	**8.46**	**7.12**	**15.58**

31 A.2. Collateral held

The Company holds collateral of securities and other credit enhancements against its credit exposures.

31 A.3. Measurement of Expected Credit Loss

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognized in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind AS whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

31 B. Liquidity risk

Liquidity risk arises from the Company's inability to meet its cash flow commitments on time. Prudent liquidity risk management implies maintaining sufficient stock of cash and marketable securities and maintaining availability of standby funding through an adequate line up of committed credit facilities. It uses a range of products mix to ensure efficient funding from across well-diversified markets and investor pools. Treasury monitors rolling forecasts of the company's cash flow position and ensures that the company is able to meet its financial obligation at all times including contingencies.

The table below analyse the company financial liability into relevant maturity companying based on their contractual maturity. The amount disclosed in the table are the contractual undiscounted cash flows. Balance due within 1 year equals their carrying balances as the impact of discounting is not significant.

(₹ in Millions)

Particulars	Carrying amount up to 1 year			Carrying amount from 1 year to 5 year		
	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Trade payables & other payable	178.10	63.23	74.53	-	-	-
Working capital demand Loan	200.00	-	-	-	-	-
Loan from related parties	1,000.00	290.00	-			
Bank overdraft	991.93	630.12	161.47	-	-	-
Other financial liabilities	2,418.13	1,349.76	435.07	41.57	-	-
Total	**4,788.16**	**2,333.11**	**671.07**	**41.57**	**-**	**-**

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2020 (Contd.)

31 C. Market risk

Market risk is the risk of any loss in future earnings, in realisable 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 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, 2020	As at March 31, 2019	As at April 01, 2018
Bank overdraft	991.93	630.12	161.47
Working capital demand loan	200.00	-	-
Applicable rate & 12 months weighted average rate	8.20%	8.80%	9.05%
Annualised interest cost	97.74	55.45	14.61

Sensitivity analysis for impact on interest cost

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
Increase in 1% change in ROI	11.92	6.30	1.61
Decrease in 1% change in ROI	(11.92)	(6.30)	(1.61)

31 C.2. Fair value sensitivity analysis for fixed-rate instruments

The Company does not have any fixed-rate instruments presented in financial liabilities.

31 C.3. Exposure to currency risks

The Company does not have any exposure to foreign exchange risk arising from foreign currency transaction.

31 C.4. Exposure to Price Risk

The Company exposure to price risk arising form investment held by the company and is classified in the balance sheet through fair value through profit & loss account. Company has investment in Exchange Traded Funds & equity shares under various scheme and its exposure.

(₹ in Millions)

Particulars	Equity Shares (Other than Subsidiary)	Exchange Traded Fund	Total
Market Value as on March 31, 2020	-	35.95	35.95
Market Value as on March 31, 2019	-	33.67	33.67
Market Value as on April 1, 2018	0.19	35.90	36.09

The effect of upward movement of 5% in the price affects the projected net income by ₹ 1.81 million and for forward downward movement of 5% the projected net loss will be ₹ 1.81 million for FY 2019-20.

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2020 (Contd.)

31 D. Capital Management

The company's objective when managing capital are to

- Safeguard their ability to continue as going concern, so that they can continue to provide returns for the share holders and benefits for other stake holders, and

- Maintain an optimal capital structure to reduce the cost of capital.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using debt equity ratio.

The company's strategy is to maintain gearing ratio as per industry norms. The gearing ratio is as follows

(₹ in Millions)

Particulars	March 31, 2020	March 31, 2019
Total debt	2,191.93	920.12
Cash & cash equivalent (excluding client bank balance)	(14.65)	(8.16)
Net debt	**2,177.28**	**911.96**
Total equity	1,382.76	449.60
Net debt to equity	**1.57**	**2.03**

31 E. Fair values of financial instruments

The company measures fair values using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements.

– Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.

– Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.

– Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs that are not observable and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The company uses widely recognised valuation models to determine the fair value of common and simple financial instruments, such as interest rate and currency swaps, that use only observable market data and require little management judgement and estimation. Observable prices or model inputs are usually available in the market for listed debt and equity securities, exchange-traded derivatives and simple OTC derivatives such as interest rate swaps. The availability of observable market prices and model inputs reduces the need for management judgement and estimation and also reduces the uncertainty associated with determining fair values.

The following table analyses financial instruments measured at fair value at the reporting date, by the level in the fair value hierarchy into which the fair value measurement is categorised.

The amounts are based on the values recognised in the statement of financial position. The fair values include any deferred differences between the transaction price and the fair value on initial recognition when the fair value is based on a valuation technique that uses unobservable inputs.

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2020 (Contd.)

31 E. 1. 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, 2020			
	Level 1	Level 2	Level 3	Total
Exchange Traded Fund	35.95			35.95
Total Assets	**35.95**	**-**	**-**	**35.95**

(₹ in Millions)

Financial instruments measured at fair value	Recurring fair value measurements as at March 31, 2019			
	Level 1	Level 2	Level 3	Total
Exchange Traded Fund	33.67	-	-	33.67
Total Assets	**33.67**	**-**	**-**	**33.67**

(₹ in Millions)

Financial instruments measured at fair value	Recurring fair value measurements as at April 1, 2018			
	Level 1	Level 2	Level 3	Total
Exchange Traded Fund	35.90	-	-	35.90
Equity Shares (Other than Subsidiary)	0.19	-	-	0.19
Total Assets	**36.09**	**-**	**-**	**36.09**

31 E. 2. 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.

(₹ in Millions)

Particulars	As at March 31, 2020				
	Level 1	Level 2	Level 3	Total fair value	At amortised cost
Financial assets					
Investment in equity share of subsidiaries (at cost)	-	-	-	-	73.50
Cash and cash equivalents	-	-	-	-	199.35
Bank balance	-	-	-	-	2,505.32
Trade and other receivable	-	-	-	-	7.35
Loans	-	-	-	-	670.70
Security deposit with landlord	-	-	12.80	12.80	12.80
Other financial assets (net of impairment)	-	-	-	-	2,396.27
Total Assets	**-**	**-**	**12.80**	**12.80**	**5,865.29**
Financial Liabilities					
Borrowings	-	-	-	-	2,191.93
Trade and other payables	-	-	-	-	178.10
Other financial liabilities	-	-	-	-	2,459.70
Total Liabilities	**-**	**-**	**-**	**-**	**4,829.73**

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2020 (Contd.)

(₹ in Millions)

Particulars	As at March 31, 2019				
	Level 1	Level 2	Level 3	Total fair value	At amortised cost
Financial assets					
Investment in equity share of subsidiaries (at cost)	-	-	-	-	21.00
Cash and cash equivalents	-	-	-	-	621.05
Bank balance	-	-	-	-	512.25
Trade and other receivable	-	-	-	-	19.56
Loans	-	-	-	-	240.59
Security deposit with landlord	-	-	12.38	12.38	12.38
Other financial assets (net of impairment)	-	-			1,108.01
Total Assets	**-**	**-**	**12.38**	**12.38**	**2,534.84**
Financial Liabilities					
Borrowings	-	-	-	-	920.12
Trade and other payables	-	-	-	-	63.23
Other financial liabilities	-	-	-	-	1,349.76
Total Liabilities	**-**	**-**	**-**	**-**	**2,333.11**

(₹ in Millions)

Particulars	As at March 31, 2018				
	Level 1	Level 2	Level 3	Total fair value	At amortised cost
Financial assets					
Investment in equity share of subsidiaries (at cost)	-	-	-	-	20.50
Cash and cash equivalents	-	-	-	-	174.21
Bank balance	-	-	-	-	112.25
Trade and other receivable	-	-	-	-	7.94
Security deposit with landlord	-	-	2.07	2.07	2.07
Other financial assets (net of impairment)	-	-	-	-	748.31
Total Assets	**-**	**-**	**2.07**	**2.07**	**1,065.28**
Financial Liabilities					
Borrowings	-	-	-	-	161.47
Trade and other payables	-	-	-	-	74.53
Other financial liabilities	-	-	-	-	435.07
Total Liabilities	**-**	**-**	**-**	**-**	**671.07**

The carrying amount of financial assets and financial liabilities whose fair value are not disclosed above and that are not measured at fair value are approximation of fair value.

31 E. 3. Measurement of fair value

The fair Values of Investments in Equity share and 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 Equity share	These indicates traded securities as defined in SEBI Regulations and Guidelines and the fair value is using input based on information / other data that are available.	Not Applicable	Not Applicable	Not Applicable

NOTE 32 : SEGMENT REPORTING

In the opinion of the management, there is only one reportable business segment as envisaged by Ind AS 108 on 'Operating Segment' issued by Institute of Chartered accountant of India. Accordingly, no separate disclosure for segment reporting is required to be made in the financial statements of the Company. Secondary segmentation based on geography has not been presented as the Company operates primarily in India and the Company perceives that there is no significant difference in its risk and returns in operating from different geographic areas within India.

NOTE 33 : RELATED PARTY TRANSACTION

(A) As Per IND AS 24, the disclosures of transaction with the related parties are given below :

List of related parties where control exists and also related parties with whom transactions have taken place and relationships :

Nature of relationship	Name of party
Key Management Personnel	Mr. Prakarsh Gagdani- Whole time Director & CEO Mr. Santosh Jayaram- Whole time Director Mr Gourav Munjal- Whole time Director & CFO (WTD w.e.f. Jan 16, 2020) Mr. Roshan Dave- Company Secretary (upto Nov 30, 2019) Mrs. Namita Godbole- Company Secretary(w.e.f. Dec 01, 2019)
Subsidiaries	5Paisa P2P Limited 5Paisa Insurance Brokers Limited 5Paisa Trading Limited (w.e.f. Feb 27, 2020)

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2020 (Contd.)

Nature of relationship	Name of party
Other Related Parties	IIFL Finance Limited (Formerly IIFL Holdings Limited)# IIFL Commodities Limited (Formerly India Infoline Commodities Limited) FIH Mauritius Investments Limited India Infoline Finance Limited (Merged with IIFL Finance Limited w.e.f. March 30, 2020)# IIFL Management Services Limited (Formerly India Infoline Insurance Services Limited) IIFL Insurance Brokers Limited (Formerly India Infoline Insurance Brokers Limited) IIFL Wealth Management Limited# IIFL Facilities Services Limited (Formerly IIFL Real Estate Limited) IIFL Wealth (UK) Limited IIFL Capital Inc IIFL Asset Reconstruction Limited (From May 9, 2017) IIFL Home Finance Limited Samasta Microfinance Limited IIFL Securities Pte Limited IIFL Capital Pte Limited IIFL Asset Management Limited IIFL Alternate Asset Advisors Limited IIFL Wealth Finance Limited IIFL Trustee Limited (Formerly India Infoline Trustee Company Limited) IIFL Distribution Services Limited# IIFL Investment Advisers and Trustee Services Limited IIFL Asia Pte Limited IIFL Private Wealth (Hong Kong) Limited** IIFL Private Wealth Management (Dubai) Limited IIFL Asset Management (Mauritius) Limited (Formerly IIFL Private Wealth (Mauritius) Limited) IIFL Inc IIFL Private Wealth (Suisse) SA.* Clara Developers Private Limited IIFL Capital (Canada) Limited` IIFL Wealth Securities IFSC Limited IIFL Securities Services IFSC Limited IIFL Altiore Advisors Private Limited (Formerly Altiore Advisors Private Limited) IIFL Wealth Advisors (India) Limited- Amalgamated with IIFL Wealth Management Limited w.e.f. December 27, 2019. Meenakshi Tower LLP India Infoline Foundation Geocentric Solutions Private Limited (w.e.f. December 20, 2019 to March 23, 2020) Shreyans Foundation LLP Ayusha Dairy Private Limited Giskard Datatech Private Limited Sunder Bhanwar Holiday Home Private Limited (up to March 04, 2018) MNJ Consultants Private Limited India Infoline Employee Trust Nirmal Madhu Family Private Trust Sunder Bhawar Ventures Private Limited IIFLW CSR Foundation (Incorporated w.e.f. January 20, 2020)

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2020 (Contd.)

Nature of relationship	Name of party
Others	Mr. Venkataraman Rajamani Mrs. Aditi Athavankar (wife of Venkataraman Rajamani) Mr. Nirmal Jain Mrs. Madhu Jain (wife of Nirmal Jain) Mrs. Aditi Athavankar (in the capacity of Kalki Family Private Trust) Orpheus Trading Pvt. Limited Ardent Impex Pvt Limited Prakarsh Sharad Gagdani - HUF Mrs Kalpana Gagdani (mother of Prakarsh Gagdani) Mrs Punam Gagdani (wife of Prakarsh Gagdani)

* IIFL Wealth Management Limited has dis-invested with effect from IIFL Private Wealth (Suisse) SA and accordingly does not hold any stake in IIFL Private Wealth (Suisse) SA. (Effective date of disinvestment: February 27, 2019)

* *IIFL Private Wealth (Hongkong) Limited' has ceased to carry its business operations and is in process of winding up.

Date of Demerger – 1 April 2018 being the appointed date in terms of the Composite Scheme of Arrangement amongst India Infoline Finance Limited ("IIFL Finance"), IIFL Holdings Limited ("IIFL Holdings"), India Infoline Media and Research Services Limited ("IIFL M&R"), IIFL Securities Limited ("IIFL Securities"), IIFL Wealth Management Limited ("IIFL Wealth") and IIFL Distribution Services Limited ("IIFL Distribution"), and their respective shareholders, under Sections 230 - 232 and other applicable provisions of the Companies Act, 2013 ("Scheme") approved by the Board of Directors of the Holding Company at its meeting held on January 31, 2018, and approved by the National Company Law Tribunal Bench at Mumbai (Tribunal) on March 07, 2019 under the applicable provisions of the Companies Act, 2013.

(B) Significant Transactions with Related Parties

(₹ in Millions)

Nature of transaction	2019-20	2018-19
Referral Income/Service Income/Brokerage Income/Depository Participate Income. etc. :-		
a) Other Related Parties		
IIFL Finance Limited*	11.18	1.17
IIFL Asset Management Limited	-	0.00
IIFL Securities Limited	-	4.56
IIFL Insurance Brokers Limited	-	1.05
b) Directors, Key Managerial Persons & their relatives		
Mr. Prakarsh Gagdani	0.00	-
Mr. Santosh Jayaram	0.00	-
Mr. Gourav Munjal	0.00	-
Mrs. Namita Godbole	0.00	-
Prakarsh Sharad Gagdani HUF	0.00	-
Mrs. Kalpana Gagdani	0.00	-
Mrs. Punam Gagdani	0.00	-
Interest Income - Inter Corporate Deposit :-		
a) Subsidiary		
5Paisa P2P Limited	0.02	-

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2020 (Contd.)

(₹ in Millions)

Nature of transaction	2019-20	2018-19
Security Deposit :-		
a) Other Related Parties		
IIFL Facilities Services Limited	7.81	7.81
IIFL Securities Limited	3.07	2.50
Remuneration :-		
Prakarsh Gagdani	9.93	7.67
Santosh Jayaram	3.18	2.36
Gourav Munjal**	3.32	0.63
Sitting Fees:-		
Dr.Archana Hingorani	0.39	-
Mrs. Nirali Sanghi	0.36	-
Mr. Sarbeshwar Lenka	0.27	-
Rent Expense :-		
a) Other Related Parties		
IIFL Facilities Services Limited	15.63	20.00
IIFL Finance Limited	0.57	4.82
IIFL Securities Limited	5.56	-
Interest Expenses Inter Corporate Deposit:-		
a) Subsidiary		
5paisa P2P Limited	0.38	-
b) Other Related Parties		
IIFL Securities Limited	1.38	15.76
IIFL Facilities Services Limited	19.44	6.20
IIFL Finance Limited*	53.63	6.64
IIFL Insurance Brokers Limited	0.23	-
IIFL Management Services Limited	3.60	-
Inter Corporate Deposit Taken :-		
a) Subsidiary		
5paisa P2P Limited	43.50	-
b) Other Related Parties		
IIFL Facilities Services Limited	1,205.00	973.58
IIFL Finance Limited*	3,418.10	800.00
IIFL Securities Limited	-	1,010.00
IIFL Insurance Brokers Limited	20.00	-
IIFL Management Services Limited	300.00	-

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2020 (Contd.)

(₹ in Millions)

Nature of transaction	2019-20	2018-19
Inter Corporate Deposit Repaid :-		
a) Subsidiary		
5paisa P2P Limited	43.50	-
b) Other Related Parties		
IIFL Facilities Services Limited	1,365.00	813.58
IIFL Finance Limited*	2,418.10	800.00
IIFL Securities Limited	130.00	880.00
IIFL Insurance Brokers Limited	20.00	-
IIFL Management Services Limited	300.00	-
Inter Corporate Deposit Given : -		
a) Subsidiary		
5Paisa P2P Limited	4.55	-
Inter Corporate Deposit Given Received Back : -		
a) Subsidiary		
5Paisa P2P Limited	4.55	-
Allocation / Reimbursement of expenses Paid :-		
a) Other Related Parties		
IIFL Finance Limited*	8.50	3.51
IIFL Facilities Services Limited	13.56	15.13
IIFL Management Services Limited	0.27	0.12
IIFL Home Finance Limited	0.09	0.03
IIFL Securities Limited	72.72	40.16
Allocation / Reimbursement of expenses Received :-		
a) Subsidiary		
5Paisa P2P Limited	6.96	-
b) Other Related Parties		
IIFL Securities Limited	-	0.33
IIFL Finance Limited*	-	0.02
Others Paid :-		
a) Subsidiary		
5Paisa P2P Limited	0.17	-
b) Other Related Parties		
IIFL Securities Limited	3.59	0.12
IIFL Finance Limited*	2.54	0.06
IIFL Management Services Limited	0.04	-
IIFL Home Finance Limited	2.06	-

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2020 (Contd.)

(₹ in Millions)

Nature of transaction	2019-20	2018-19
Others Received :-		
a) Subsidiary		
5Paisa P2P Limited	8.52	-
b) Other Related Parties		
IIFL Insurance Brokers Limited	0.12	-
IIFL Securities Limited	2.37	0.40
IIFL Management Services Limited	0.00	-
IIFL Home Finance Limited	0.51	-
IIFL Finance Limited*	1.97	0.15
IIFL Wealth Management limited	0.00	0.02
Security Deposit Received:-		
a) Other Related Parties		
IIFL Facilities Services Limited	-	11.05
IIFL Securities Limited	0.57	2.50
Security Deposit Repaid:-		
a) Other Related Parties		
IIFL Facilities Services Limited	-	3.23
Investment in Subsidiary:-		
a) Subsidiary		
5Paisa Insurance Brokers Limited	-	0.50
5Paisa P2P Limited	52.00	-
5Paisa Trading Limited	0.50	-

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2020 (Contd.)

(C) Closing Balance

(₹ in Millions)

Nature of transaction	2019-20	2018-19
Sundry Payable :-		
a) Other Related Parties		
IIFL Facilities Services Limited	0.13	1.43
IIFL Management Services Limited	0.02	0.02
IIFL Securities Limited	0.29	0.64
Prakarsh Sharad Gagdani HUF	0.00	-
b) Directors & Relatives		
Mr. Gourav Munjal	0.00	-
Mrs. Kalpana Gagdani	0.13	-
Security Deposit		
a) Other Related Parties		
IIFL Securities Limited	3.07	2.50
IIFL Facilities Services Limited	7.81	7.81
Inter Corporate Deposit		
a) Other Related Parties		
IIFL Facilities Services Limited	-	160.00
IIFL Finance Limited*	1,000.00	130.00
Sundry Receivable :-		
a) Subsidiary		
5paisa P2P Limited	0.69	-
b) Other Related Parties		
IIFL Finance Limited*	-	0.50
c) Directors & Relatives		
Mr. Prakarsh Gagdani	0.48	-
Mr. Santosh Jayaram	0.06	-
Mrs. Punam Gagdani	0.07	-
Mrs. Namita Godbole	0.00	-

* India Infoline Finance Limited has merged with IIFL Finance Limited w.e.f March 30, 2020 hence all transactions with both the Companies are merged and reported in IIFL Finance Limited .

** Mr Gourav Munjal was appointed as Chief Financial Officer w.e.f. January 16 , 2019.

@Amount is less then ₹ 0.01 million hence shown as ₹ 0.00 million.

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2020 (Contd.)

NOTE 34 : The company has implemented Employee Stock Option Scheme 2017 (ESOP Scheme) and has outstanding options granted under the said schemes. The options vest in graded manner and must be excercised with in specified period as per the terms of the grants made by the Nomination and Remuneration Committee and ESOP Schemes.

a) The details of various Employee Stock Option Schemes are as under:

Particulars	ESOP 2017
Method of Accounting	Intrinsic Value
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, 2020

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 April 1, 2018*	**220,000**	**194.00**	**-**	**6.8**
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Expired/Lapsed during the year	20,000	-	-	-
Exercised during the year	-	-	-	-
Outstanding as on March 31, 2019	**200,000**	**194.00**	**-**	**5.8**
Exercisable as on March 31, 2019	200,000	-	-	-
Granted during the year	200,000	157.30-200	-	-
Corporate Action Consequent to Rights Issue*	300,000	-	-	-
Forfeited during the year (including corporate action theiron)	-	-	-	-
Expired/Lapsed during the year*	28,000	157.30-200	-	-
Exercised during the year	-		-	-
Outstanding as on March 31, 2020	**672,000**	**157.30 -200**	**-**	**5.4**
Exercisable as on March 31, 2020	**672,000**	**157.30 -200**	**-**	**-**

* Pursuant to Corporate Action i.e. consequent to Rights issue (in the ratio of 1:1) as approved by the Board of Directors as on July 17, 2018 and in order to give a fair and reasonable treatment to the outstanding option holders holding options, additional options were granted to be convertible into equal number of equity shares of the company.

** Exercise price has been calculated after giving effect of additional options granted to employee consequent to right issue as approved by the board.

During the period NIL options has been excercised by the employee.

Fair Value Methodology

The fair value of the shares are measured using Black scholes formulae. Measurement inputs include share price on measurement date, exercise date of the instrument, exercise price, expected life, risk free interest rate, dividend yield, expected volatility.

Key Assumptions used in Black-Scholes model for calculating fair value as on the date of grant are as follows:

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.

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2020 (Contd.)

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 annualised 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 35 :

1. The wholly owned subsidiary of the Company namely 5paisa P2P Limited ("the Company") was incorporated on December 17, 2017 with the objective to provide an online marketplace to the participants involved in peer to peer lending and also to act as a distributor of financial products. The company has received approval from RBI to commence its business as NBFC P2P and the company will initiate its P2P activities shortly.
2. The Wholly owned subsidiary of the Company namely 5paisa Insurance Brokers Limited was incorporated on October 27, 2018 has applied with IRDA for undertaking the activities of Insurance Brokers & awaiting for approval.
3. The wholly owned subsidiary of the Company namely 5paisa Trading Limited had incorporated on February 27 , 2020.

NOTE 36 :

During the year under review, the Board at its meeting held on July 17, 2019 had authorized the issue of right shares pursuant to sec 62 of Companies Act, 2013. The record date for Rights issue was May 29, 2019. The said rights issue opened on Tuesday, July 23, 2019 and closed on Tuesday, August 06, 2019. The Rights Issue Committee approved the allotment of 1,27, 38,646 equity shares on August 20, 2019 and the shares were credited to the respective demat accounts on August 21, 2019. The Rights entitlement on 376 equity shares has been kept in abeyance. Post rights issue, the paid up share capital of the Company is ₹ 254.78 million i.e. 2,54,77,668 equity shares of ₹ 10 each.

NOTE 37 :

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, 2020 (Contd.)

NOTE 38 : The table below shows as analysis of assets and liabilities analyed according to when they are expected to be recoved or settled.

(₹ in Millions)

Particulars	As at March 31, 2020			As at March 31, 2019			As at April 1, 2018		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS									
(1) Financial Assets									
(a) Cash and cash equivalents	199.35	-	199.35	621.05	-	621.05	174.21	-	174.21
(b) Bank Balance other than (a) above	2,505.32	-	2,505.32	509.00	3.25	512.25	105.00	7.25	112.25
(c) Receivables									
(I) Trade receivables	1.31	-	1.31	19.51	-	19.51	5.05	-	5.05
(II) Other receivables	6.04	-	6.04	0.05	-	0.05	2.89	-	2.89
(d) Loans	670.70	-	670.70	240.59	-	240.59	-	-	-
(e) Investments	35.95	73.50	109.45	33.67	21.00	54.67	36.09	20.50	56.59
(f) Other financial assets	2,354.35	54.72	2,409.07	1,004.09	116.30	1,120.39	425.85	324.55	750.40
Sub-total	**5,773.02**	**128.22**	**5,901.24**	**2,427.96**	**140.55**	**2,568.51**	**749.09**	**352.30**	**1,101.39**
(2) Non-Financial Assets									
(a) Inventories	-	-	-	-		-	-	-	-
(b) Current tax assets (net)	15.16	-	15.16	-	4.25	4.25	-	1.43	1.43
(c) Deferred tax assets (net)	-	231.79	231.80	-	213.37	213.37	-	149.45	149.45
(d) Property, Plant and Equipment	-	16.60	16.60	-	16.00	16.00	-	12.49	12.49
(e) Right to use assets	-	57.72	57.72	-	-	-		-	-
(f) Capital work-in-progress	-	-	-	-	0.75	0.75	-	0.05	0.05
(g) Other intangible assets	-	7.78	7.78	-	5.81	5.81	-	8.77	8.77
(h) Other non-financial assets	44.60	-	44.60	12.97	-	12.97	37.76	0.96	38.72
Sub-total	**59.76**	**313.89**	**373.66**	**12.97**	**240.18**	**253.15**	**37.76**	**173.15**	**210.91**
Total Assets	**5,832.78**	**442.11**	**6,274.90**	**2,440.93**	**380.73**	**2,821.66**	**786.85**	**525.45**	**1,312.30**
LIABILITIES									
(1) Financial Liabilities									
(a) Payables									
(I) Trade payables									
(i) Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-	-	-	-

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2020 (Contd.)

(₹ in Millions)

Particulars	As at March 31, 2020			As at March 31, 2019			As at April 1, 2018		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	8.89	-	8.89	1.56	-	1.56	21.41	-	21.41
(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	169.21	-	169.21	55.67	6.00	61.67	51.05	2.07	53.12
(b) Borrowings (Other than debt securities)	2,191.93	-	2,191.93	920.12	-	920.12	161.47	-	161.47
(c) Other financial liabilities	2,418.13	41.57	2,459.70	1,349.76	-	1,349.76	435.07	-	435.07
Sub-total	**4,788.16**	**41.57**	**4,829.73**	**2,327.11**	**6.00**	**2,333.11**	**669.00**	**2.07**	**671.07**
(2) Non-Financial Liabilities									
(a) Current tax liabilities (Net)	-	-	-	-	-	-	-	-	-
(b) Provisions	4.87	-	4.87	3.61	-	3.61	1.25	-	1.25
(c) Other non-financial liabilities	57.54	-	57.54	35.34	-	35.34	11.07	-	11.07
Sub-total	**62.41**	**-**	**62.41**	**38.95**	**-**	**38.95**	**12.32**	**-**	**12.32**
Total Liabilities	**4,850.57**	**41.57**	**4,892.14**	**2,366.06**	**6.00**	**2,372.06**	**681.32**	**2.07**	**683.39**
Net	**982.22**	**400.54**	**1,382.76**	**74.87**	**374.73**	**449.60**	**105.53**	**523.38**	**628.91**

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2020 (Contd.)

NOTE 39 : FIRST TIME ADOPTION OF INDIAN ACCOUNTING STANDARDS :

These financial statements, for the year ended 31 March 2020, are the first financial statements the Company has prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2019, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read with Rule 7 of the Companies (Accounting Standard) Rule 2014 ('Previous GAAP' or 'Indian GAAP').

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on 31 March 2020 together with the comparative period data as at and for the year ended 31 March 2019, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet prepared as at 1 April 2018, i.e the date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1 April 2018 and the financial statements as at and for the year ended 31 March 2019.

In preparing these financial statements, the Company has applied the below mentioned optional exemptions and mandatory exceptions:

Exemptions applied

1. Mandatory Exemptions:-

a) Estimates

The estimates as at April 1, 2018 and at March 31, 2019 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from the following items where application of Indian GAAP did not require estimation:

- Impairment of financial assets based on expected credit loss model;-

- Fair valuation of financial instruments carried at FVTPL and / or FVOCI.

The estimates used by the Company to present these amounts in accordance with Ind AS reflects conditions at April 1, 2018, the date of transition to Ind AS and as of March 31, 2019.

b) De-recognition of financial assets and financial liability

The Company has applied the de-recognition requirements under Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS.

c) Classification and Measurement of Financial Assets

The Company has classified the financial assets in accordance with Ind AS 109 on the basis of facts and circumstances that exist at the date of transition to Ind AS.

2. Optional exemptions

a) Deemed cost - Previous GAAP carrying amount

Since there is no change in the functional currency, the Company has elected to continue with the carrying value for all of Property, Plant and Equipment and Intangible Assets as recognised in its Indian GAAP financial as deemed cost at the transition date.

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2020 (Contd.)

Effect of Ind AS adoption on the standalone balance sheet as at March 31, 2019 and April 1, 2018

(₹ in Millions)

Particulars	Note No.	As at March 31, 2019			As at April 1, 2018		
		Indian GAAP	Adjustment	As per Ind AS	Indian GAAP	Adjustment	As per Ind AS
ASSETS							
(1) Financial Assets							
(a) Cash and cash equivalents		621.05	-	621.05	174.21	-	174.21
(b) Bank Balance other than (a) above		512.25	-	512.25	112.25	-	112.25
(c) Receivables			-			-	
(I) Trade receivables	**(i)**	19.96	(0.45)	19.51	5.61	(0.56)	5.05
(II) Other receivables		-	0.05	0.05	-	2.89	2.89
(d) Loans		240.59	-	240.59	-	-	-
(e) Investments	**(ii)**	53.64	1.03	54.67	56.50	0.09	56.59
(f) Other financial assets	**(i & v)**	1,119.68	0.71	1,120.39	753.76	(3.36)	750.40
Sub-total		**2,567.17**	**1.34**	**2,568.51**	**1,102.33**	**(0.94)**	**1,101.39**
(2) Non-Financial Assets							
(a) Current tax assets (Net)		4.25	-	4.25	1.43	-	1.43
(b) Deferred tax assets (Net)	**(iii)**	208.43	4.94	213.37	149.29	0.16	149.45
(c) Property, Plant and Equipment		16.00	-	16.00	12.49	-	12.49
(d) Capital work-in-progress		0.75	-	0.75	0.05	-	0.05
(f) Other intangible assets		5.81	-	5.81	8.77	-	8.77
(g) Other non-financial assets		12.99	(0.02)	12.97	38.15	0.57	38.72
Sub-total		**248.23**	**4.92**	**253.15**	**210.18**	**0.73**	**210.91**
Total		**2,815.40**	**6.26**	**2,821.66**	**1,312.51**	**(0.21)**	**1,312.30**
LIABILITIES AND EQUITY							
LIABILITIES							
(1) Financial Liabilities							
(a) Payables		-	-	-	-	-	-
(I) Trade payables							
(i) total outstanding dues of micro enterprises and small enterprises		-	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		0.71	0.85	1.56	20.69	0.71	21.41
(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		-	61.67	61.67	-	53.12	53.12
(b) Borrowings (Other than debt securities)		920.12	-	920.12	161.47	-	161.47
(c) Other financial liabilities	**(iv)**	1,347.21	2.55	1,349.76	433.89	1.18	435.07
Sub-total		**2,268.04**	**65.07**	**2,333.11**	**616.05**	**55.02**	**671.07**
(2) Non-financial liabilities							
(a) Provisions		70.39	(66.78)	3.61	54.09	(52.84)	1.25
(b) Other non-financial liabilities		13.34	22.00	35.34	13.01	(1.94)	11.07
Sub-total		**83.73**	**(44.78)**	**38.95**	**67.10**	**(54.78)**	**12.32**
(3) EQUITY							
(a) Equity share capital		127.39	-	127.39	127.39	-	127.39
(b) Other equity	**(i to vi)**	336.27	(14.06)	322.21	501.97	(0.45)	501.52
Sub-total		**463.66**	**(14.06)**	**449.60**	**629.36**	**(0.45)**	**628.91**
Total		**2,815.43**	**6.23**	**2,821.66**	**1,312.51**	**(0.21)**	**1,312.30**

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2020 (Contd.)

Reconciliation of Total Comprehensive Income for the year ended March 31, 2019

(₹ in Millions)

Particulars	Note No.	Indian GAAP	Adjustments	As per Ind AS
Revenue from operations				
(a) Interest income		26.22	-	26.22
(b) Fees and commission income	**(vi)**	599.60	(20.55)	579.05
(I) Total revenue from operations		**625.82**	**(20.55)**	**605.27**
(a) Other income	**(ii)**	0.58	0.92	1.49
(II) Total income		**626.40**	**(19.63)**	**606.76**
(III) Expenses				
(a) Finance costs		68.27	-	68.27
(b) Employee benefits expenses	**(iv&v)**	257.82	10.98	268.79
(c) Depreciation, amortisation and impairment		14.43	-	14.43
(d) Others expenses	**(i)**	510.72	(2.68)	508.04
(III) Total expenses		**851.24**	**8.30**	**859.53**
(IV) Profit/(Loss) before exceptional items and tax (II-III)		(224.84)	(27.93)	(252.77)
(V) Exceptional items				-
(VI) Profit/(Loss) before tax (IV-V)		**(224.84)**	**(27.93)**	**(252.77)**
(VII) Tax Expense:				
(1) Current Tax		-	-	-
(2) Deferred Tax	**(iii)**	(59.14)	(4.41)	(63.55)
(VIII) Profit/(Loss) for the period from continuing operations (VI-VII)		**(165.70)**	**(23.52)**	**(189.22)**
(IX) Profit/(Loss) from discontinued operations		-	-	-
(X) Tax Expense of discontinued operations		-	-	-
(XI) Profit/(Loss) from discontinued operations (after tax) (IX-X)		-	-	-
(XII) Profit/(Loss) for the period (VIII+XI)		**(165.70)**	**(23.52)**	**(189.22)**
Other Comprehensive Income				
(i) Items that will not be reclassified to profit or loss		-	(1.45)	(1.45)
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	0.38	0.38
Other Comprehensive Income (XIII)		-	(1.07)	(1.07)
Total Comprehensive Income for the period (XII) + (XIII) (Comprising Profit/(Loss) and other Comprehensive Income for the period)		**(165.70)**	**(24.59)**	**(190.29)**

Explanatory Notes to Reconciliation of Total Equity and Total Comprehensive Income

(i) Allowances for Expected Credit Loss

As per the previous GAAP, the Company was providing for financial assets based on incurred loss model. As per Ind AS 109, provision for impairment of financial asses is required to be made based on forward looking expected credit loss model. This has resulted in recognition of additional provision for expected credit loss as on transition date of April 01, 2018 and during the year ended March 31, 2019.

(ii) Fair Valuation of Investments

Under previous GAAP, current investments were measured at lower of cost or fair value. Under Ind AS, these financial assets have been classified as FVTPL on the date of transition. The fair value changes are recognised in the Statement of Profit and Loss. On transitioning to Ind AS, these financial assets have been measured at their fair values which is higher than cost as per previous GAAP.

(iii) Deferred Tax Adjustments

Ind AS requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP. Deferred tax adjustments are recognised in relation to the underlying transaction either in retained earnings or a separate component of equity (OCI).

(iv) Fair Valuation of ESOPs

Under previous GAAP, the cost of employee share-based payments was recognised using the intrinsic value method. Under Ind AS, the cost of equity-settled employee share-based payments is recognised in the statement of profit and loss for the year ended March 31, 2019 based on the fair value of the options as on the grant date with consequent increase in the amount payable to the holding company.

(v) Remeasurement of Deferred Employee Benefits

Both under Indian GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on the basis of actuarial valuation. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, remeasurement comprising of actuarial gains and losses, the effect of the asset ceiling (excluding amounts included in net interest on the net defined benefit liability) and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability) are recognised in OCI.

(vi) Deferment of Revenue

Under Ind AS, the Company has considered the revenue in case of its investment banking and training fee income on completion of the performance obligation as required in the Ind AS 115. This has resulted in reduction in income recognised on transition date of April 1, 2018 and during the year ended March 31, 2019.

NOTE 40 : NOTE ON COVID-19 IMPACT

Covid-19 has been declared as a global pandemic, the Indian Govt. has declared the complete lock down since March 24, 2020 and the same is continuing with minor exemptions and essential services were allowed to operate with limited capacity. Capital markets and banking services have been declared as essential services and accordingly, the Company has been continuing the operations with minimal permitted staff at branches. However other employees were encouraged to work from home. All operations and servicing of clients were smoothly ensured without any interruptions as the activities of trading, settlement, DP, Stock Exchanges and depositories functions have been fully automated and seamless processes. Based on the facts and circumstances, the Company has been operating in the normal course and there have been no adverse impacts on the assets, liquidity, revenues or operational parameters during the quarter and year ended as on March 31st, 2020. The Company is closely monitoring any material changes on a continuous basis.

NOTE 41 : 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

G.Sankar
Partner
Membership No.: 046050

Place: Mumbai
Dated: May 07, 2020

For and on behalf of Board of Directors

Prakarsh Gagdani
Whole Time Director & CEO
(DIN: 07376258)

Santosh Jayaram
Whole Time Director
(DIN: 07955607)

Gourav Munjal
Whole Time Director & CFO
(DIN: 06360031)

Namita Godbole
Company Secretary

Independent Auditor's Report

To the Members of 5paisa Capital Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the accompanying consolidated financial statements of 5paisa Capital Limited (hereinafter referred to as the 'Holding Company") and its subsidiary companies (Holding Company and its subsidiary companies together referred to as "the Group"), which comprise the comprise the consolidated Balance Sheet as at 31st March 2020, 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 a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act and the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2020, of consolidated loss, 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.

Key Audit Matters

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

Key Audit Matter	Response to Key Audit Matter
The company has incurred losses which are mainly due to sales promotion and advertisement expenditure incurred in the last 4 years. Under Accounting Standard 22 – Accounting for taxes on Income, deferred tax assets arising from unused tax losses or tax credits can be recognised only to the extent that the entity has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which the unused tax losses or unused tax credits can be utilised by the entity. Determination of whether there sufficient taxable profits will be available against which the unused tax losses or unsecured tax credits can be utilized the Company is a matter of judgement based on convincing other evidence. As a result, the recognition of the deferred tax asset was significant to our audit.	Our audit procedures included among others examining the future projections of the Holding Company which are based on the judgement of the management taking into account that the company's volume of operations has substantially increased in the last year and the expenditure on sales promotion and advertisement is likely to be less in future. The management has also determined that the profits which will be earned in the future will be sufficient for setting off the carried forward losses in accordance with the provisions of the Income Tax Act, 1961. Accordingly we have found the future projections made by management for the purpose of recognition of deferred tax asset in the financial statements to be appropriate.

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 Management and Discussion Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information but does not include the standalone and consolidated financial statements and our auditor's reports thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Companies Act, 2013 (the Act) that give a true and fair view of the consolidated financial position, consolidated financial 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 judgements 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 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

The comparative financial information of the Group for the year ended 31st March, 2019 and the transition date opening balance sheet as at 1st April, 2018 included in these consolidated Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with Companies (Accounting Standards) Rules, 2016 audited by us on which we had expressed an unmodified opinion vide our Audit Reports dated April 16, 2019 and April 17, 2018 respective, as adjusted for the differences in accounting principles adopted by the company on transition to the Ind AS, which have been audited by us.

Our opinion is not modified in respect of this matter

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report, 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.

(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, 2020 taken on record by the Board of Directors of the Holding Company and its subsidiary companies, none of the directors of the Group companies incorporated in India is disqualified as on 31st March, 2020 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 remuneration paid by the holding Company to its managing director during the year is in accordance with the provisions of section 197 of the Act.

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

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 29 to the consolidated financial statements.

ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India.

For **V. Sankar Aiyar & Co.,**
Chartered Accountants
(FRN 109208W)

(G SANKAR)
Partner
(M.No.46050)
UDIN: 20046050AAAABT2633

Place: Mumbai
Date: May 7, 2020

Annexure to Auditor's Report

ANNEXURE REFERRED TO IN OUR REPORT OF EVEN DATE TO THE MEMBERS OF 5PAISA CAPITAL LIMITED ON THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2020

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, 2020 which are Companies incorporated in India, as of 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 and the audit evidence obtained by the other auditors of the subsidiary companies which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls 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 reports of the other auditors referred to in the Other Matters paragraph below, the Parent and its subsidiary companies which are 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, 2020, based on the criteria for internal financial control over financial reporting established by the respective companies 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)

(G SANKAR)
Partner
(M.No.46050)
UDIN: 20046050AAAABT2633

Place: Mumbai
Date: May 7, 2020

Consolidated Balance Sheet

As at March 31, 2020

(₹ in Millions)

Particulars	Note No	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
ASSETS				
1. Financial Assets				
(a) Cash and cash equivalents	3	200.81	621.75	194.71
(b) Bank balance other than (a) above	4	2,505.32	532.25	112.25
(c) Receivables				
(I) Trade receivables	5	1.31	19.51	5.05
(II) Other receivables	5	6.04	0.05	2.89
(d) Loans	6	670.70	240.59	-
(e) Investments	7	88.43	33.67	36.09
(f) Other financial assets	8	2,409.22	1,120.50	750.40
Sub-total		**5,881.83**	**2,568.32**	**1,101.39**
2. Non-Financial Assets				
(a) Current tax assets (net)		15.45	4.36	1.43
(b) Deferred tax assets (net)	9	231.91	213.37	149.45
(c) Property, Plant and Equipment	10	16.60	16.00	12.49
(d) Right of use assets	11	57.72	-	-
(e) Intangible assets under development		17.06	0.75	0.05
(f) Other intangible assets	10	7.78	5.81	8.77
(g) Other non-financial assets	12	48.15	12.98	38.72
Sub-total		**394.67**	**253.27**	**210.91**
Total		**6,276.50**	**2,821.59**	**1,312.30**
LIABILITIES AND EQUITY				
LIABILITIES				
(1) Financial Liabilities				
(a) Payables				
(I) Trade 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	9.75	1.58	21.41
(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	169.43	61.87	53.12
(b) Borrowings (Other than debt securities)	14	2,191.93	920.12	161.47
(c) Other financial liabilities	15	2,460.14	1,349.76	435.07
Sub-total		**4,831.25**	**2,333.33**	**671.07**
(2) Non-Financial Liabilities				
(a) Current tax liabilities (net)		-	-	-
(b) Provisions	16	5.00	3.61	1.25
(b) Other non-financial liabilities	17	57.81	35.36	11.07
Sub total		**62.81**	**38.97**	**12.32**
(3) EQUITY				
(a) Equity share capital	18	254.78	127.39	127.39
(b) Other equity	19	1,127.66	321.90	501.52
Sub total		**1,382.44**	**449.29**	**628.91**
Total		**6,276.50**	**2,821.59**	**1,312.30**
See accompanying notes forming part of Consolidated Financial Statements	1-41			

As per our attached report of even date

For V Sankar Aiyar & Co.
Chartered Accountants
Firm's Registration No.109208W
By the hand of

G.Sankar
Partner
Membership No.: 046050

Place: Mumbai
Dated: May 07, 2020

For and on behalf of Board of Directors

Prakarsh Gagdani
Whole Time Director & CEO
(DIN: 07376258)

Santosh Jayaram
Whole Time Director
(DIN: 07955607)

Gourav Munjal
Whole Time Director & CFO
(DIN: 06360031)

Namita Godbole
Company Secretary

Consolidated Statement of Profit and Loss
For the year ended March 31, 2020

(₹ in Millions)

Particulars	Note No	For the year ended March 31, 2020	For the year ended March 31, 2019
REVENUE FROM OPERATIONS			
(a) Interest income	20	232.13	27.40
(b) Fees and commission income	21	850.07	579.05
(I) Total revenue from operations		**1,082.20**	**606.45**
(a) Other income	22	0.56	1.49
(II) Total income		**1,082.76**	**607.94**
(III) Expenses			
(a) Finance cost	23	151.13	68.27
(b) Employee benefits expense	24	291.52	268.79
(c) Depreciation, amortisation and impairment	25	38.41	14.43
(d) Other expenses	26	698.20	509.53
(III) Total expenses		**1,179.26**	**861.02**
(IV) Profit/(Loss) before exceptional items and tax (II-III)		(96.50)	(253.08)
(V) Exceptional items			
(VI) Profit/(Loss) before tax (IV-V)		**(96.50)**	**(253.08)**
(VII) Tax expense:			
(1) Current tax	27	-	-
(2) Deferred tax		(17.54)	(63.55)
(VIII) Profit/(Loss) for the period from continuing operations (VI-VII)		**(78.96)**	**(189.53)**
(IX) Profit/(Loss) from discontinued operations		-	-
(X) Tax Expense of discontinued operations		-	-
(XI) Profit/(Loss) from discontinued operations (after tax) (IX-X)		-	-
(XII) Profit/(Loss) for the period (VIII+XI)		**(78.96)**	**(189.53)**
Other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss		(2.52)	(1.45)
(ii) Income tax relating to items that will not be reclassified to profit or loss		1.00	0.38
Other Comprehensive Income (XIII)		**(1.52)**	**(1.07)**
Total Comprehensive Income for the period (XII) + (XIII) (Comprising Profit/(Loss) and other Comprehensive Income for the period)		**(80.48)**	**(190.60)**
Earnings per equity share of face value of ₹ 10 each	28		
Basic in (₹)		(3.39)	(14.88)
Diluted in (₹)		(3.39)	(14.88)
Restated Earnings per equity share of face value of ₹ 10 each			
Basic in (₹)		-	(9.77)
Diluted in (₹)		-	(9.77)

See accompanying notes forming part of Consolidated Financial Statements 1-41

As per our attached report of even date

For V Sankar Aiyar & Co.
Chartered Accountants
Firm's Registration No.109208W
By the hand of

G.Sankar
Partner
Membership No.: 046050

Place: Mumbai
Dated: May 07, 2020

For and on behalf of Board of Directors

Prakarsh Gagdani
Whole Time Director & CEO
(DIN: 07376258)

Santosh Jayaram
Whole Time Director
(DIN: 07955607)

Gourav Munjal
Whole Time Director & CFO
(DIN: 06360031)

Namita Godbole
Company Secretary

Consolidated Statement of Changes in Equity

For the year ended March 31, 2020

A. EQUITY SHARE CAPITAL

Particulars	As at March 31, 2020		As at March 31, 2019		As at April 1, 2018	
	No. of Shares	₹ in Millions	No. of Shares	₹ in Millions	No. of Shares	₹ in Millions
Equity Shares						
At the beginning of the year	12,739,022	127.39	12,739,022	127.39	12,739,022	127.39
Add: Shares issued during the year	12,738,646	127.39	-	-	-	-
Closing at the end of year	**25,477,668**	**254.78**	**12,739,022**	**127.39**	**12,739,022**	**127.39**

B. OTHER EQUITY

(₹ in Millions)

Particulars	Reserves and Surplus				Other items of Other Comprehensive Income	Total
	Securities Premium Reserve	Capital Reserve	Retained Earnings	Employee Stock option Reserve		
Balance as at April 1, 2018	**823.33**	**47.71**	**(369.06)**	**-**	**-**	**501.98**
Adjustments on account of transition to IND AS	-	-	(2.60)	2.14	-	(0.46)
Opening Restated Balance as on April 1, 2018	**823.33**	**47.71**	**(371.66)**	**2.14**	**-**	**501.52**
Total comprehensive income for the year	-		(189.53)	10.98	(1.07)	(179.62)
Balance as at March 31, 2019	**823.33**	**47.71**	**(561.19)**	**13.12**	**(1.07)**	**321.90**
Total comprehensive Income for the year	-	-	(78.96)	15.35	(1.52)	(65.13)
Additions during the period (Net of share issue expenses)	870.89	-	-	-	-	870.89
Balance as at March 31, 2020	**1,694.22**	**47.71**	**(640.15)**	**28.47**	**(2.59)**	**1,127.66**

See accompaying notes forming part of Consolidated Financial statements (1 -41)

As per our attached report of even date

For V Sankar Aiyar & Co.
Chartered Accountants
Firm's Registration No.109208W
By the hand of

G.Sankar
Partner
Membership No.: 046050

Place: Mumbai
Dated: May 07, 2020

For and on behalf of Board of Directors

Prakarsh Gagdani
Whole Time Director & CEO
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Whole Time Director
(DIN: 07955607)

Gourav Munjal
Whole Time Director & CFO
(DIN: 06360031)

Namita Godbole
Company Secretary

Consolidated Cash Flow Statement

For the year ended March 31, 2020

(₹ in Millions)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Cash Flows From Operating Activities		
Net Profit/(Loss) before taxation, and extraordinary item	(96.50)	(253.08)
Adjustments for:		
Depreciation & Amortisation	38.41	14.43
Employee Stock Option Expenses	15.35	10.98
Provisions for Gratuity	1.87	0.85
Provisions for Leave Encashment	3.23	2.77
Interest Expenses	151.13	68.27
Capital Gain on Investments	-	(0.19)
Interest Income	(120.32)	(19.83)
Net Loss/(Gain) on Fair Value of Investments	-	0.92
Net Loss/(Gain) on sale of PPE & Intangible Assets	-	0.00
Operating Profit/(Loss) Before Working Capital Changes	**(6.83)**	**(174.88)**
(Increase)/Decrease in Trade Receivables	18.20	(14.46)
(Increase)/Decrease in Other Receivables	(5.99)	2.84
(Increase)/Decrease in Loans	(430.11)	(240.59)
(Increase)/Decrease in Other Non Current Liabilities	22.45	24.29
(Increase)/Decrease in Other Financial Assets	(1,288.72)	(370.10)
Increase/(Decrease) in Other Financial Liabilities	1,108.86	913.62
(Increase)/Decrease in Other Non-Financial Assets	(35.17)	25.74
Increase/(Decrease) in Provisions	(3.71)	(1.26)
Increase/(Decrease) in Trade Payable	8.17	(19.83)
Increase/(Decrease) in Other Payable	107.56	8.75
Cash Generated From Operations	**(505.29)**	**154.12**
Taxes	(12.09)	(3.30)
Net cash flow from/(used in) operating activities (A)	**(517.38)**	**150.82**
Cash Flows From Investing Activities		
(Purchase)/Sale of PPE & Intangible Assets (net)	(115.01)	(15.68)
(Purchase) / Sale Investments (Including in subsidiaries)	(54.76)	1.50
Capital Gain on Investment	-	0.19
Interest received	120.32	19.83
Net cash flow from/(used in) investing activities (B)	**(49.45)**	**5.84**
Cash Flows From Financing Activities		
Decrease in Bank Deposits	(1,973.07)	(420.00)
Increase in Share Capital	127.39	-
Increase in Share Premium (Net of share Issue Expenses)	870.89	-
Borrowed/ Repayment of Borrowings (Net)	1,271.81	758.65
Interest Expenses	(151.13)	(68.27)
Net cash flow from/(used in) financing activities (C)	**145.89**	**270.38**
Net increase/(decrease) in Cash and Cash Equivalents (A+B+C)	**(420.94)**	**427.04**
Cash and Cash Equivalents at beginning of Year	621.75	194.71
Cash and Cash Equivalents at end of Period	200.81	621.75
Net Increase/(Decrease) in Cash and Cash Equivalents	**(420.94)**	**427.04**

@Amount is less then ₹ 0.01 million hence shown as ₹ 0.00 million.

See accompaying notes forming part of Consolidated Financial statements (1 -41)

As per our attached report of even date

For V Sankar Aiyar & Co.
Chartered Accountants
Firm's Registration No.109208W
By the hand of

G.Sankar
Partner
Membership No.: 046050

Place: Mumbai
Dated: May 07, 2020

For and on behalf of Board of Directors

Prakarsh Gagdani
Whole Time Director & CEO
(DIN: 07376258)

Santosh Jayaram
Whole Time Director
(DIN: 07955607)

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, 2020

NOTE 1. CORPORATE INFORMATION:

The financial statements comprise financial statements of "5Paisa Capital Limited" ("The Holding Company") and its subsidiary companies for the year ended March 31, 2020.

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 including distribution of insurance products. The group companies has received approval from RBI to commence its business as NBFC P2P and the group companies will initiate its P2P activities shortly.

The wholly owned subsidiary Company 5paisa Insurance Brokers Limited ("5paisa IBL) 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.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES AND KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

2.1 Significant Accounting Policies:

a) Basis of Preparation of Consolidated financial statements:

The consolidated financial statement for the year ended March 31, 2020 has been prepared in accordance with Indian Accounting Standard ('Ind AS'). The Holding Company is covered under the definition of NBFC and the Ind AS is applicable under Phase II as defined in notification dated March 30, 2016 issued by Ministry of Corporate Affairs (MCA), since the Holding Company is a listed Compnay. Accordingly the Group is required to prepare the financial statement on the basis of Ind AS from the financial year beginning on April 1, 2019 with comparatives for the year ended March 31, 2019 with opening balances as on April 1, 2018. This financial statements for the year ended March 31, 2020 are group companies first Ind AS financial statements.

The consolidated financial statement upto and for the year ended March 31, 2019, were prepared in accordance with the accounting principle generally accepted in India, including the Accounting Standards specified under section 133 of the Companies Act, 2013 (the 'Act'), read with Rule 7 of the Companies (Accounting Standard) Rule 2014 ('Previous GAAP' or 'Indian GAAP').

As these are group's first consolidated financial statements prepared in accordance with Indian Accounting Standards, Ind AS 101 First Time Adoption of Indian Accounting Standards has been applied. Refer Note 36 "First-time adoption of Ind AS" for details of first time adoption.

These consolidated financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under Sec 133 of the Companies Act ("the Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 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 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 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, 2020 are being authorised for issue in accordance with a resolution of the directors on May 7, 2020.

aa) Basis of consolidation of accounts of subsidiary companies:

The Company 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 39. Control exists when the parent has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those 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 capitalised if the recognition criteria are met. Expenses related to plans, designs and drawings of buildings or plant and machinery is capitalised 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 capitalised at cost and depreciated over their useful life. Subsequent expenditure relating to property, plant and equipment is capitalised 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

Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2020 (Contd.)

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.

On transition to Ind AS, the group has elected to continue with the carrying value for all of its PPE recognised as at April 1, 2018 measured as per the previous GAAP and use that varying value as the deemed cost of the PPE.

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 amortised 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 fixures *	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 derecognised 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 recognised in the Statement of Profit and Loss when the item is derecognised.

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-Current 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 capitalised and the related expenditure is recognised 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 amortisation 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.

On transition to Ind AS, the group companies has elected to continue with the carrying value for all its intangible assets as recognised as at April 1, 2018 measured as per the previous GAAP and use that carrying value as the deemed cost of the Intangible Assets.

Amortisation:

Intangible Assets with finite lives are amortised on a Straight Line basis over the estimated useful economic life. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Profit and Loss.

The amortisation period and the amortisation 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 derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the de-recognition of an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the intangible asset and is recognised in the Statement of Profit and Loss when the asset is derecognised.

d) **Impairment of Non-Financial Assets**

Assets that have an indefinite useful life are not subject to amortisation 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 amortisation 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 recognised 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 recognised in the Statement of Profit and Loss and included in depreciation and amortisation 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

Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2020 (Contd.)

carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognised.

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 recognised when they are originated. The group companies recognises a financial asset in its Balance Sheet when it becomes party to the contractual provisions of the instrument.

All financial assets are recognised 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 recognised 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 recognised as a gain or loss in the Statement of Profit and Loss only to the extent that such gain or loss arises due to a change in factor that market participants take into account when pricing the financial asset.

Trade receivables that do not contain a significant financing component are measured at transaction price.

Subsequent measurement:

For subsequent measurement, the group companies classifies a financial asset in accordance with the below criteria:

i) The group companies business model for managing the financial asset and

ii) The contractual cash flow characteristics of the financial asset.

Based on the above criteria, the group companies classifies its financial assets into the following categories:

i) Financial assets measured at amortised 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 amortised cost:

A financial asset is measured at the amortised 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 amortised 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 amortisation 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 amortised cost at each reporting date. The corresponding effect of the amortisation under effective interest method is recognised as interest income over the relevant period of the financial asset.

The amortised 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 recognised in the Other Comprehensive Income (OCI). However, the group companies recognises 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 recognised 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

Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2020 (Contd.)

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 amortised 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 recognised 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 recognised under a business combination. Pursuant to such irrevocable election, subsequent changes in the fair value of such equity instruments are recognised in Statement of Profit and Loss. The group companies recognises 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 derecognised (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 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 recognise such financial asset to the extent of its continuing involvement in the financial asset. In that case, the group companies also recognises 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 recognised 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 amortised 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 i and ii 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 recognised 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 recognising impairment loss allowance based on 12-month ECL.

ECL is the difference between all contractual cash flows that are due to the group companies in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls) discounted at the original effective interest rate.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. 12-month ECL area portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date.

ECL are measured in a manner that they reflect unbiased and probability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

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 recognises a financial liability in its Balance Sheet when it becomes party to the contractual provisions of the instrument. All financial liabilities are recognised 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 recognised 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).

Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2020 (Contd.)

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 recognised 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 derecognised 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. derecognised and the consideration paid is recognised in the Statement of Profit and Loss.

i) **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 advantages 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 categorised within the fair value hierarchy that categorises 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 recognised 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 categorisation at the end of each reporting period and discloses the same.

j) **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 Consolidated 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 recognised 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.

k) **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

Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2020 (Contd.)

authorities accepting each such tax treatment or group of tax treatments in computing the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

Deferred tax:

Deferred tax is provided using the balance sheet method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes as at the reporting date. Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit under Income tax Act, 1961.

Deferred tax liabilities are generally recognised 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 recognised. Also, for temporary differences if any that may arise from initial recognition of goodwill, deferred tax liabilities are not recognised.

Deferred tax assets are generally recognised 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 utilised. 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 recognised.

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 utilised.

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.

Additional taxes that arise from the distribution of dividends by the group companies are recognised directly in equity at the same time as the liability to pay the related dividend is recognised.

Presentation of current and deferred tax:

Current and deferred tax are recognised as income or an expense in the Statement of Profit and Loss, except when they relate to items that are recognised in Other Comprehensive Income, in which case, the current and deferred tax income/ expense are recognised 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 he recognised amounts and where it intends either to settle on a net basis, or to realise 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.

l) Provisions and Contingencies:

The group companies recognises provisions when a present obligation (legal or constructive) as a result of a past event exists and it is probable that an outflow of resources embodying economic benefits will be required to settle such obligation and the amount of such obligation can be reliably estimated. The amount recognised as a provision is the best estimate of the consideration require to settle the present obligation at the end of reporting period, taking into account the risk & uncertainties surrounding the obligation.

If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

The group companies in the normal course of its business, comes across client claims/ regulatory penalties/ inquiries, etc. and the same are duly clarified/ addressed from time to time. The penalties/ actions if any are being considered for disclosure as contingent liability only after finality of the representation of appeals before the lower authorities.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

Contingent assets are disclosed only where an inflow of economic benefits is probable.

m) Cash and Cash Equivalents :

Cash and cash equivalents for the purpose of Cash Flow Statement comprise cash and cheques in hand, bank balances, demand deposits with banks where the original maturity is three months or less and other short term highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

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

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

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

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the 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 recognised 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.

na) 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 recognised on a trade date basis.

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

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

Securities premium includes:

A. The difference between the face value of the equity shares and the consideration received in respect of shares issued pursuant to Stock Option Scheme.

B. The fair value of the stock options which are treated as expense, if any, in respect of shares allotted pursuant to Stock Options Scheme.

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 recognised 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 recognises the undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered as a liability (accrued expense) after deducting any amount already paid.

Post-Employment Benefits:

I. Defined contribution plans:

Defined contribution plans are post-employment benefit plans under which the group companies pays fixed contributions into state managed retirement benefit schemes and will have no legal or constructive obligation to pay further contributions, if any, if the state managed funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. The group companies contributions to defined contribution plans are recognised in the Statement of Profit and Loss in the financial year to which they relate. The Holding 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 group companies operates a Superannuation scheme for eligible employees.

Recognition and measurement of defined contribution plans: The group companies recognises 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 recognised 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 recognised 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 group companies, operates a gratuity scheme for employees. The contribution is paid to a separate 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 recognised 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 recognised 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 recognised 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 recognised 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 recognised 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.

p) 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

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identified asset (ii) the group companies has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the group companies has the right to direct the use of the asset.

At the date of commencement of the lease, the group companies recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the group companies recognises 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 recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. 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 amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the 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 recognised 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.

Transition :

Effective April 1, 2019, the group companies adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Consequently, the group companies recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the group companies's incremental borrowing rate at the date of initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended March 31, 2020.

On transition, the adoption of the new standard resulted in recognition of 'Right of Use' asset ₹ 93.69 million and a lease liability of ₹ 93.69 million. The effect of this adoption is insignificant on the profit before tax, profit for the period and earnings per share. Ind AS 116 will result in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

The following is the summary of practical expedients elected on initial application:

1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date

2. Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application

3. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

4. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2019 is 7.9 %.

q) Borrowing Cost:

Borrowing cost includes interest, amortisation 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 capitalised, if any. All other borrowing costs are expensed in the period in which they occur.

r) 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.

s) Segment Reporting :

The Holding Company'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.

Notes forming part of Consolidated Financial Statements

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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 recognised 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.

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, 2020 (Contd.)

NOTE 3 : CASH AND CASH EQUIVALENTS

(₹ in Millions)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
Cash & cash equivalents			
Cash in hand	-	-	-
Cheques in hand	-	-	-
Balances with bank:			
- in current accounts	16.11	8.86	31.06
- in client accounts	184.70	612.89	163.65
Total Cash & cash equivalents	**200.81**	**621.75**	**194.71**

NOTE 4 : BANK BALANCE OTHER THAN ABOVE

(₹ in Millions)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
Fixed deposit with banks :			
Lien marked *	2,505.32	532.25	112.25
Total	**2,505.32**	**532.25**	**112.25**

*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, 2020	As at March 31, 2019	As at April 01, 2018
(i) Trade receivables			
- Receivables considered good - Unsecured	0.02	19.51	5.61
- Receivables which have significant increase in credit risk	1.65	-	
- Receivables - credit impaired	-	0.45	-
Total (i) Gross	**1.67**	**19.96**	**5.61**
Less : Impairment loss allowance	0.36	0.45	0.56
Total (i) Net	**1.31**	**19.51**	**5.05**
(ii) Other receivables			
- Receivables considered good - Unsecured	6.04	0.05	2.89
Total (ii) Net	**6.04**	**0.05**	**2.89**

a) No trade or other receivables are due from directors or from other officers of the Group Companies either severally or jointly with any other person nor any trade or other receivables are due from firms or private companies respectively in which any directors is a partner, director or a member as at March 31, 2020, March 31, 2019 & April 01, 2018.

b) No trade receivables and other receivables are interest bearing.

NOTE 6 : LOANS

(₹ in Millions)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
Margin trading facility balances*	670.70	240.59	-
Total	**670.70**	**240.59**	**-**

* Loans to customers are secured by pledge of Shares/Bonds/Mutual Funds.

Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2020 (Contd.)

NOTE 7: INVESTMENTS

(₹ in Millions)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
A) At fair value through profit or loss			
Exchange Traded Fund			
EQ-SBISENSEXETF	2.25	1.25	2.13
EQ-SETFBANK EQ	1.80	1.70	0.39
EQ-SETFBSE100	10.75	1.48	2.27
EQ-SETFNIFTYNEXT 50 EQ	1.95	2.98	0.46
EQ-SETFNIFTY EQ	3.98	5.28	3.51
EQ-UTINIFTYETF	2.98	7.71	7.76
EQ-UTISENSEXETF	4.89	2.25	2.89
EQ-UTINEXT50	4.70	8.29	16.49
EQ-SETFSN50	1.13	1.90	-
EQ- SBIETFQLTY	0.10	0.82	-
EQ- UTISXN50	1.42	0.01	-
Investment in equity shares	**-**	**-**	**-**
DLF LIMITED	-	-	0.18
SUZLON ENERGY LIMITED	-	-	0.01
Investment in Mutual Fund			
Mutual Fund	52.48		
Total	**88.43**	**33.67**	**36.09**
- Investment outside India	-	-	-
- Investment in India	88.43	33.67	36.09
Total	**88.43**	**33.67**	**36.09**

NOTE 8 : OTHER FINANCIAL ASSETS

(₹ in Millions)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
Deposit/Margin with exchange	2,002.16	103.96	322.48
Clients and Exchanges receivables (net of provision)#	361.40	1,000.40	425.78
Security deposit with landlords and others *	12.82	12.40	2.07
Interest accrued on deposits and investments	32.46	3.74	0.07
Receivable from related parties (Refer note 33)	0.38	-	-
Total	**2,409.22**	**1,120.50**	**750.40**

Include receivable from directors & key managerial personnel of ₹ 0.62 million (FY 2018-19 ₹ Nil and As at April 1, 2018 ₹ Nil)

* Include deposit with related party of ₹ 10.8 million (March 31, 2019 ₹ 10.3 million and As at April 1, 2018 ₹ Nil) Refer note 33

Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2020 (Contd.)

NOTE 9 : DEFERRED TAX ASSETS (NET)

(₹ in Millions)

Particulars	As at March 31, 2020			
	Opening balance as at April 1, 2019	Recognised in profit or loss	Recognised in/reclassified from OCI	Closing balance
Deferred tax assets:				
Depreciation on property,plant and equipment	0.89	0.73	-	1.62
Provisions for doubtful receivables/other financial asset (Including expected credit loss)	1.33	2.59	-	3.92
Compensated absences and retirement benefits	2.10	(1.13)	1.00	1.97
Tax on business Loss carry-forward *	203.92	19.35		223.27
Unrealised profit on investments	-	0.08		0.08
Others	5.40	(2.58)		2.82
Total deferred tax assets (a)	**213.64**	**19.04**	**1.00**	**233.68**
Deferred tax liabilities:				
Unrealised profit on investments	(0.27)	0.00	-	(0.27)
On Lease Rentals as per tax	-	(1.50)	-	(1.50)
Total deferred tax liabilities (b)	**(0.27)**	**(1.50)**	**-**	**(1.77)**
Deferred tax assets (a) + (b)	**213.37**	**17.54**	**1.00**	**231.91**

(₹ in Millions)

Particulars	As at March 31, 2019			
	Opening balance as at April 1, 2018	Recognised in profit or loss	Recognised in/reclassified from OCI	Closing balance
Deferred tax assets:				
Depreciation on property,plant and equipment	0.02	0.87	-	0.89
Provisions for doubtful receivables/other financial asset (Including expected credit loss)"	0.35	0.98		1.33
Compensated absences and retirement benefits	0.87	0.85	0.38	2.10
Tax on business Loss carry-forward *	148.12	55.80	-	203.92
Others	0.12	5.28		5.40
Total deferred tax assets (a)	**149.48**	**63.78**	**0.38**	**213.64**
Deferred tax liabilities:				
Unrealised profit on investments	(0.03)	(0.24)	-	(0.27)
On Lease Rentals as per tax	-	-	-	-
Total deferred tax liabilities (b)	**(0.03)**	**(0.24)**	**-**	**(0.27)**
Deferred tax assets (a) + (b)	**149.45**	**63.54**	**0.38**	**213.37**

* Considering the future projections and that the carried forward losses are only for the last 3 years primarily on account of expenditure on sales promotion and advertisement incurred in the early years which is likely to be less in future, the Group Companies is of the opinion that sufficient taxable income will be available in future against which the deferred tax assets arising from carried forward business loss can be utilised.

@ Amount is less than ₹ 0.01 million hence shown as ₹ 0.00 million.

Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2020 (Contd.)

NOTE 10 : PROPERTY, PLANT AND EQUIPMENT

Tangible Assets:

(₹ in Millions)

Particulars	Computer	Electrical Equipment	Furniture & Fixture	Office Equipment	Total
Cost:					
As at April 1, 2018*	**9.60**	**0.78**	**1.40**	**0.71**	**12.49**
Addition	8.46	1.74	1.47	1.65	13.32
Disposals/Transfers	-	-	0.00	0.00	0.00
As at March 31, 2019	**18.06**	**2.52**	**2.87**	**2.36**	**25.81**
Addition	14.31	0.44	-	0.71	15.46
Disposals/Transfers	6.47	-	-	0.25	6.72
As at March 31, 2020	**25.90**	**2.96**	**2.87**	**2.82**	**34.55**
Accumulated Depreciation:					
As at April 1, 2018*	**-**	**-**	**-**	**-**	**-**
Depreciation charge for the year	6.84	0.54	0.79	1.64	9.81
Disposals/Transfers	-	-	0.00	0.00	0.00
As at March 31, 2019	**6.84**	**0.54**	**0.79**	**1.64**	**9.81**
Depreciation charge for the year	9.24	0.55	0.61	0.75	11.15
Disposals/Transfers	2.85	-	-	0.16	3.01
As at March 31, 2020	**13.23**	**1.09**	**1.40**	**2.23**	**17.95**

Net Book Value:

(₹ in Millions)

Particulars	Computer	Electrical Equipment	Furniture & Fixture	Office Equipment	Total
As at April 1, 2018	9.60	0.78	1.40	0.71	12.49
As at March 31, 2019	11.22	1.98	2.08	0.72	16.00
As at March 31, 2020	**12.67**	**1.87**	**1.47**	**0.59**	**16.60**

Intangible Assets:

(₹ in Millions)

Particulars	Software	Total
Cost:		
As at April 1, 2018*	**8.77**	**8.77**
Addition	1.66	1.66
Disposals/Transfers	-	-
As at March 31, 2019	**10.43**	**10.43**
Addition	6.77	6.77
Disposals/Transfers	-	-
As at March 31, 2020	**17.20**	**17.20**

(₹ in Millions)

Particulars	Software	Total
Accumulated Depreciation:		
As at April 1, 2018*	**-**	**-**
Depreciation charge for the year	4.62	4.62
Disposals/Transfers	-	-
As at March 31, 2019	**4.62**	**4.62**
Depreciation charge for the year	4.80	4.80
Disposals/Transfers	-	-
As at March 31, 2020	**9.42**	**9.42**

Net Book Value:

(₹ in Millions)

Particulars	Software	Total
As at April 1, 2018	8.77	8.77
As at March 31, 2019	5.81	5.81
As at March 31, 2020	**7.78**	**7.78**

Note :- @ Amount is less then ₹ 0.01 million hence shown as ₹ 0.00 million.

(a) Refer Note 30 for assets given on pledge.

* Cost as at April 01, 2018 is at deemed cost.

NOTE 11 : RIGHT OF USE ASSETS

(₹ in Millions)

Particular	Premises	Vehicle	Total
Lease commitments as at March 31, 2019	**-**	**-**	**-**
Add/(less): contracts reassessed as lease contracts	-	3.19	3.19
Add/(less): adjustments on account of extension/termination	90.50	-	90.50
Lease liabilities as on April 01, 2019	**90.50**	**3.19**	**93.69**

A) The impact of change in accounting policy on account on adoption of Ind AS 116 is as follows :

(₹ in Millions)

Particular	Amount
Increase in lease liability	93.69
Increase in rights to use assets	93.69
Increase/(Decrease) in Deferred tax assets	(1.50)
Increase/(Decrease) in finance cost	6.45
Increase/(Decrease) in depreciation	22.46

B) Following are the changes in the carrying value of right of use assets for the period ended March 31, 2020:

(₹ in Millions)

Particular	Premises	Vehicle	Total
Balance as at April 01, 2019	**90.50**	**3.19**	**93.69**
Additions to ROU	0.54	-	0.54
Deletions to ROU	14.05	-	14.05
Depreciation	21.02	1.44	22.46
Closing Balance as at March 31, 2020	**55.97**	**1.75**	**57.72**

Note: The aggregate depreciation expense on ROU assets is included under depreciation and amortisation expense in the statement of Profit and Loss.

Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2020 (Contd.)

C) The following is the movement in lease liabilities during the year ended March 31, 2020:

(₹ in Millions)

Particulars	Premises	Vehicle	Total
Balance as at April 01, 2019	**90.50**	**3.19**	**93.69**
Additions	0.54	-	0.54
Deletion	14.05	-	14.05
Finance cost accrued during the period	6.21	0.24	6.45
Payment of lease liabilities	(24.11)	(1.60)	(25.71)
Balance as at March 31, 2020	**59.09**	**1.83**	**60.92**

D) Following is the break up value of the Current and Non - Current Lease Liabilities for the period ended March 31, 2020:

(₹ in Millions)

Particulars	Premises	Vehicle	Total
Current lease liabilities	17.96	1.39	19.35
Non-current lease liabilities	41.13	0.44	41.57
Total	**59.09**	**1.83**	**60.92**

E) Table showing details regarding the contractual maturities of lease liabilities as at March 31, 2020 on an discounted basis:

(₹ in Millions)

Particulars	Premises	Vehicle	Total
Less than one year	17.96	1.39	19.35
One to two years	13.41	0.20	13.61
Two to five years	27.72	0.24	27.96
Total	**59.09**	**1.83**	**60.92**

F) Amounts recognised in profit or loss

(₹ in Millions)

Particular	As at March 31, 2020
Interest on lease liabilities	6.25
Variable lease payments not included in the measurement of lease liabilities	-
Income from sub-leasing right-of-use assets	-
Expenses relating to leases of low-value assets, excluding short-term leases of low value assets	0.20
Total	**6.45**

G) Amounts recognised in the cash flows statements

(₹ in Millions)

Particulars	As at March 31, 2020
Total cash outflow for leases	25.71

Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2020 (Contd.)

NOTE 12 : OTHER NON-FINANCIAL ASSETS

(₹ in Millions)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
Prepaid expenses	9.98	5.70	3.44
GST credit receivable	23.06	2.59	31.28
Capital advance	-	-	0.96
Other advances	15.11	4.69	3.04
Total	**48.15**	**12.98**	**38.72**

NOTE 13 : PAYABLES

(₹ in Millions)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
(I) Trade Payable			
(i) total outstanding dues of micro enterprises and smal enterprises	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	9.75	1.58	21.41
Total (a)	**9.75**	**1.58**	**21.41**
(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	0.97	0.34	0.34
(b) Accrued salaries & benefits	0.17	0.23	2.07
(c) Provision for expenses	168.29	61.30	50.71
Total (b)	**169.43**	**61.87**	**53.12**
Total (a+b)	**179.18**	**63.45**	**74.53**

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:

Particulars	FY 2019-20	FY 2018-19	FY 2017-18
(a) Principal amount remaining unpaid to any supplier at the year end	-	-	-
(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, 2020 (Contd.)

NOTE 14 : BORROWINGS (OTHER THAN DEBT SECURITIES)

(₹ in Millions)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
At amortised cost			
(a) Loans repayable on demand (from banks) : Secured			
- Working capital demand loan	200.00	-	-
- Bank Overdraft	991.93	630.12	161.47
(b) Other loans : Unsecured			
- Loan from related parties (Refer note 33)	1,000.00	290.00	-
Total (c) = (a)+ (b)	**2,191.93**	**920.12**	**161.47**
Borrowings in India	2,191.93	920.12	161.47
Borrowings outside India	-	-	-
Total	**2,191.93**	**920.12**	**161.47**

(a) (i) Working Capital Demand Loan (WCDL) and bank overdraft are secured by way of fist pari-passu charge on all receivable to the tune of 1.5 times of the outstanding facility amount and fixed deposits. Pl refer to note 30 for details of asset pledged.

(ii) Loan from related parties are unsecured.

(b) Tenure 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 @ 11.4% p.a (Lending banks MCLR rate 8.55% + Spread 2.85%), Interest is payable monthly basis on the last date of each month.

(ii) For Bank Overdraft Interest rate is fixed deposit rates + Spread varies (0.75% to 1.25%)

(iii) Loan from related parties interest rate is in the range @10.07 to 10.60% p.a as approved by the board.

NOTE 15 : OTHER FINANCIAL LIABILITIES

(₹ in Millions)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
Clients and Exchanges payables #	2,389.21	1,337.41	429.60
Payable to related parties (Refer note 33)	-	1.59	-
Lease liability (Refer note 11)	60.92	-	-
Provision for gratuity (funded)	2.83	4.47	2.13
Other payable	7.18	6.29	3.34
Total	**2,460.14**	**1,349.76**	**435.07**

Include payable to directors & key managerial personnel of ₹ 0.13 million (March 31, 2019 ₹ Nil and As at April 1, 2018 ₹ Nil)

NOTE 16 : PROVISIONS

(₹ in Millions)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
Provision for leave encashment	5.00	3.61	1.25
Total	**5.00**	**3.61**	**1.25**

Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2020 (Contd.)

NOTE 17 : OTHER NON-FINANCIAL LIABILITIES

(₹ in Millions)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
Statutory dues	47.02	14.57	10.19
Income received in advance	10.79	20.79	0.88
Total	**57.81**	**35.36**	**11.07**

NOTE 18 : EQUITY SHARE CAPITAL

a. The Authorised, Issued, Subscribed and Paid up Share Capital:

(₹ in Millions)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
Authorised Share Capital			
At the beginning of the year	300.00	300.00	300.00
Add: Increase in authorised Share capital	500.00	-	-
Closing at the end of year	**800.00**	**300.00**	**300.00**
80,000,000 (Previous Year 30,000,000) Equity Shares of ₹ 10/- each	800.00	300.00	300.00
Issued, Subscribed and Paid-up Share Capital			
25,477,668 (Previous Year 12,739,022) Equity Shares of ₹ 10/- each fully paid-up	254.78	127.39	127.39

b. Reconciliation of the shares outstanding at the beginning and at the end of the year.

Particulars	As at March 31, 2020		As at March 31, 2019		As at April 1, 2018	
	No. of Shares	₹ in Millions	No. of Shares	₹ in Millions	No. of Shares	₹ in Millions
Equity Shares						
At the beginning of the year	12,739,022	127.39	12,739,022	127.39	12,739,022	127.39
Add: Shares issued during the year (Refer note 35)	12,738,646	127.39	-	-	-	-
Closing at the end of year	**25,477,668**	**254.78**	**12,739,022**	**127.39**	**12,739,022**	**127.39**

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. The company declares and pays dividend in Indian Rupees

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.

Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2020 (Contd.)

d. Details of shareholders holding more than 5% shares in the Company:

Particulars	As at March 31, 2020		As at March 31, 2019		As at April 1, 2018	
	No. of Shares	% of holding in the class	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.	6,771,314	26.58	3,385,657	26.58	3,385,657	26.58
Nirmal Bhanwarlal Jain	5,600,088	21.98	2,228,600	17.49	2,178,600	17.10
HWIC Asia Fund Class A Shares	2,269,002	8.91	1,134,501	8.91	1,134,501	8.90
Madhu N Jain	1,365,016	5.36	680,000	5.34	680,000	5.34

e. During the period of five years immediately precedings the balance sheet date, the Group Companies has not issued any shares without payment being received in cash or by any way of bonus shares or shares bought back.

f. Shares reserved for issue under options and contracts/commitments for sale of shares/disinvestments, including the terms and amount, Refer Note 19 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
	Securities Premium Reserve	Capital Reserve	Retained Earnings	Employee Stock option Reserve		
Balance as at April 1, 2018	**823.33**	**47.71**	**(369.06)**	**-**	**-**	**501.98**
Adjustments on account of transition to INDAS	-	-	(2.60)	2.14	-	(0.46)
Opening restated balance as on April 1, 2018	**823.33**	**47.71**	**(371.66)**	**2.14**	**-**	**501.52**
Total comprehensive income for the year	-	-	(189.53)	10.98	(1.07)	(179.62)
Balance as at March 31, 2019	**823.33**	**47.71**	**(561.19)**	**13.12**	**(1.07)**	**321.90**
Total comprehensive income for the year		-	(78.96)	15.35	(1.52)	(65.13)
Additions during the period (Net of share issue Expenses)	870.89	-			-	870.89
Balance as at March 31, 2020	**1,694.22**	**47.71**	**(640.15)**	**28.47**	**(2.59)**	**1,127.66**

Footnotes: Nature and purpose reserves

i) Capital reserves : Capital reserve is created as per scheme of arrangement where undertaking including all assets and liablities of undertaking were transferred to and vested by IIFL Finance Limited (previosuly known as IIFL Holding Limited).

ii) Securities premium : Securities premium represents the surplus of proceeds received over the face value of shares, at the time of issue of shares.

iii) Retained earnings : The balance in retained earnings primarily represents the surplus/deficit.

iv) 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.

Notes forming part of Consolidated Financial Statements
For the year ended March 31, 2020 (Contd.)

NOTE 20 : INTEREST INCOME

(₹ in Millions)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest on deposits with banks *	120.01	19.53
Interest on loan (Margin Funding Facilities)	112.09	7.80
Other interest income	0.03	0.07
Total	**232.13**	**27.40**

*Includes interest received on fixed deposit with bank which are pledged with exchanges for margin money requirement.

NOTE 21 : FEES AND COMMISSION INCOME

(₹ in Millions)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Brokerage & related income	728.85	505.46
Commission & other advisory fees (incl. cross sell)	121.22	73.59
Total	**850.07**	**579.05**

NOTE 22 : OTHER INCOME

(₹ in Millions)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest Income on		
- Inter corporate deposit	-	-
- Interest Income Others	0.31	0.30
Capital Gain - Mutual Fund	0.13	0.19
Gain on financial assets measured at fair value through Profit & Loss account	-	0.92
Dividend Income	-	0.03
Gain/(Loss) on derecognisation of property,plant and equipment	-	0.00
Other Income	0.12	0.05
Total	**0.56**	**1.49**

@ Amount is less than ₹ 0.01 million hence shown as ₹ 0.00 million

NOTE 23 : FINANCE COST MEASURED THROUGH AMOTISED COST

(₹ in Millions)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest on borrowings	135.86	64.91
Other borrowing cost	15.27	3.36
Total	**151.13**	**68.27**

Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2020 (Contd.)

NOTE 24 : EMPLOYEE BENEFIT EXPENSES

(₹ in Millions)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Salaries and Bonus	252.46	235.88
Contribution to provident and other funds	15.14	14.42
Share based payments (Refer note 34)	15.38	10.98
Staff Welfare Expenses	3.44	3.89
Gratuity	1.87	0.85
Leave Encashment	3.23	2.77
Total	**291.52**	**268.79**

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, 2020	For the year ended March 31, 2019
Defined benefit obligation as at beginning of year	**4.47**	**2.13**
Interest cost	0.32	0.16
Current service cost	1.55	0.69
Service Cost	-	-
Liability transferred In/ acquisitions	0.77	0.28
(Liability transferred out/ divestments)	(0.48)	(0.17)
(Benefit paid directly by the Employer)	(0.08)	(0.07)
(Benefit paid from the fund)	-	-
Actuarial (gains)/losses on obligations - due to change in demographic assumptions assumptions	-	0.06
Actuarial (gains)/losses on obligations - due to change in financial assumptions	1.34	1.20
Actuarial (gains)/losses on obligations - due to experience	0.94	0.19
Defined benefit obligation at the end of the year	**8.83**	**4.47**

(ii) Reconciliation of opening and closing balances of fair value of Plan Assets

(₹ in Millions)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Change in the fair value of plan assets	-	-
Fair value of plan assets at the beginning of the year	-	-
Interest income	-	-
Contributions by the employer	6.24	-
Expected return on plan assets (excluding interest)	-	-
Assets transferred in/acquisitions	-	-
(Benefit paid from the fund)	-	-
Return on Plan Assets, excluding interest income	(0.24)	
Fair value of plan assets at the end of the year	**6.00**	**-**

Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2020 (Contd.)

(iii) Amount Recognised in the Balance Sheet

(₹ in Millions)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
(Present Value of Benefit Obligation at the end of the year)	**(8.83)**	**(4.47)**
Fair value of Plan Assets at the end of the year	6.00	-
Funded Status (Surplus / (Deficit))	(2.83)	(4.47)
Net (liability)/Asset recognised in the balance sheet (surplus/ (deficit))	**(2.83)**	**(4.47)**

(iv) Expenses recognised during the year

(₹ in Millions)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
In Income statement		
Current service cost	1.55	0.69
Net interest cost	0.32	0.16
Past service cost	-	-
Expense recognised in the Statement of Profit and Loss under "Employee benefits expenses"	**1.87**	**0.85**
In other comprehensive income	-	-
Actuarial (gains)/Losses on obligation for the period	2.28	1.45
Return on plan assets, excluding interest income	0.23	-
Change in asset ceiling	-	-
Net (income)/expense for the year recognised in OCI	**2.51**	**1.45**

(v) Balance sheet reconciliation

(₹ in Millions)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Opening net liability	**4.47**	**2.13**
Expenses Recognised in Statement of Profit or Loss	1.87	0.85
Expenses Recognised in OCI	2.52	1.45
Net Liability/(Asset) Transfer In	0.77	0.28
Net (Liability)/Asset Transfer Out	(0.48)	(0.17)
(Benefit Paid Directly by the Employer)	(0.08)	(0.07)
(Employer's Contribution)	(6.24)	-
Net liability/(asset) recognised in the balance sheet	**2.83**	**4.47**

(vi) Investment Details :

(₹ in Millions)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Category of assets		
Insurance fund	6.00	-
Total	**6.00**	**-**

Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2020 (Contd.)

(vii) Actuarial assumptions

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Expected return on plan assets	6.24%	N.A.
Rate of discounting	6.24%	7.07%
Rate of salary increase	10.00%	10.00%
Rate of employee turnover	For service 4 years and below 42% p.a. & thereafter 1% p.a.	For service 4 years and below 43% p.a. & thereafter 1% p.a.
Mortality rate during employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
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 group companies policy for Plan Assets Management.

(viii) Sensivity analysis :

Significant Actuarial Assumptions for the determination of the defined benefit obligation are discount trade ,expected salary increase and employee turnover. The sensitivity analysis below, have been determined based on reasonably possible changes of the assumptions occurring at end of the reporting year , while holding all other assumptions constant. The result of Sensitivity analysis is given below:

(₹ in Millions)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Projected Benefit Obligation on Current Assumptions		
Delta Effect of +1% Change in Rate of Discounting	(1.60)	(0.73)
Delta Effect of -1% Change in Rate of Discounting	2.09	0.95
Change in Salary Escalation Rate:		
Delta Effect of +1% Change in Rate of Salary Increase	1.54	0.72
Delta Effect of -1% Change in Rate of Salary Increase	(1.27)	(0.58)
Change in Employee Turnover Rate:		
Delta Effect of +1% Change in Rate of Employee Turnover	(0.52)	(0.23)
Delta Effect of -1% Change in Rate of Employee Turnover	0.62	0.26
Weighted Average Duration of the Projected Benefit Obligation		

These plans typically expose the Group Companies to following risks:

Investment risk : The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

Interest risk : A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2020 (Contd.)

Longevity risk : The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability

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, 2020	For the year ended March 31, 2019
1st Following Year	0.71	-
2nd Following Year	0.05	-
3rd Following Year	0.06	-
4th Following Year	0.07	-
5th Following Year	0.08	-
Sum of Years 6 To 10	0.52	-
Sum of Years 11 and above	37.06	-

B) Defined Contributions Plans

The Group Companies have recognised the following amounts as an expense in the Statement of Profit and Loss:

(₹ in Millions)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Contribution to provident fund	5.67	4.32
Contribution to ESIC	2.39	3.81
Contribution to labour welfare fund	0.03	0.03
Contribution to EPS	7.05	6.26
Contribution to NPS	0.00	-
Total	**15.14**	**14.42**

@ Amount is less than ₹ 0.01 million hence shown as ₹ 0.00 million.

NOTE 25 : DEPRECIATION, AMORTISATION AND IMPAIRMENT

(₹ in Millions)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Depreciation on property, plant and equipment *	33.61	9.81
Amortisation of intangible assets	4.80	4.62
Total	**38.41**	**14.43**

* Depreciation for current year includes depreciation on right of use assets (Refer note 11).

Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2020 (Contd.)

NOTE 26 : OTHER EXPENSES

(₹ in Millions)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Advertisement expenses	213.95	220.36
Books & Periodicals charges	0.03	0.01
Exchange and Statutory charges	19.44	8.33
Business promotion expense	65.95	47.59
Marketing expenses	60.29	15.47
Bank charges	2.02	1.60
Communication expense	21.89	19.38
Electricity charges	13.23	12.59
Legal and Professional charges	122.96	37.38
Office Expenses	96.01	65.23
Subscription charges	0.60	0.74
Directors Remunertion/Sitting Fees	0.90	1.02
Postage and courier	0.49	0.49
Printing and stationery	2.94	1.50
Expected credit loss (including provision for doubtful and bad debts)	11.09	3.55
Rent expenses	-	29.56
Insurance	0.59	0.31
Rates & Taxes	0.93	1.50
Repairs & Maintenance	-	-
- Computer	0.53	0.65
- Others	1.66	3.27
Remuneration to Auditors :	-	-
- As auditors - Statutory Audit	0.60	0.27
- As auditors - Other Audit	-	-
- Certification work and other matters	0.23	0.67
- Out of pocket expenses	0.02	0.04
Software charges	54.24	29.91
Travelling and Conveyance	6.59	7.24
Loss on sale of of property,plant and equipment	0.00	-
Loss on fair value of investment	0.29	-
Miscellaneous Expenses	0.73	0.87
Total	**698.20**	**509.53**

@ Amount is less than ₹ 0.01 million hence shown as ₹ 0.00 million.

Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2020 (Contd.)

NOTE 27 : INCOME TAX

Amount Recognised in profit or (loss) (₹ in Millions)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Current tax expenses		
Current Year (i)	-	-
Changes in estimates related to prior years (i)	-	-
Deferred tax expenses		
Origination and reversal of temporary differences (ii)	(17.54)	(63.55)
Total (i) + (ii)	**(17.54)**	**(63.55)**

Reconciliation of effective tax rates : (₹ in Millions)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit before tax	(96.50)	(253.08)
Tax using domestic tax rates	25.17%	26.00%
Tax amount	(24.29)	(65.80)
Tax effect of :		
Non-deductible expenses	0.00	0.00
Tax-exempt income	-	(0.01)
Change in tax rate*	6.65	(1.18)
Recognition of previously unrecognised deductible temporary differences	0.10	3.44
Total Income Tax Expense	**(17.54)**	**(63.55)**

@ Amount is less than ₹ 0.01 million hence shown as ₹ 0.00 million

* The recently promulgated Taxation Laws (Amendment) Ordinance 2009 has inserted section 115BAA in the income Tax Act 1961 providing existing domestic companies with an option to pay tax at concessional rate of 22% plus applicable surcharge & cess. The reduced tax rates come with the consequential surrender of specified deductions & incentives. The option needs to be exercised within the prescribed time for filing the return of income under section 139(1) of the income tax Act 1961 for assessment year (AY) 20-21 or subsequent AYs. Once exercised, such an option cannot be withdrawn for the same or subsequent AYs.

These financial results are prepared on the basis that the parent company and its subsidiaries would avail the option to pay income Tax at the lower rate. Consequently, wherever applicable, the opening deferred tax assets (net) has been measured at the lower rate, with a one-time corresponding charges of ₹ 6.65 million to the statement of profit & loss.

Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2020 (Contd.)

NOTE 28 : EARNING PER SHARE (EPS)

(₹ in Millions)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Face value of equity shares in ₹ fully paid up	10	10
BASIC		
Profit after tax as per statement of profit and loss (A)	(78.96)	(189.53)
Weighted average number of equity shares outstanding (B)	23,281,331	12,739,022
Basic Earning per Share (₹) A/B	**(3.39)**	**(14.88)**
Restated Earnings per equity share of face value of ₹ 10 each #	**-**	**(9.77)**
DILUTED		
Weighted average number of equity shares for computation of basic EPS	23,281,331	12,739,022
Add: Potential equity shares on account conversion of Employees Stock Options	7,257	-
Weighted average number of equity shares for computation of diluted EPS (C)	23,288,588	12,739,022
Diluted Earning per Share (₹) A/C	**(3.39)**	**(14.88)**
Restated Diluted Earnings per equity share of face value of ₹ 10 each #	**-**	**(9.77)**

Pursuant to right issue of shares during the year.

NOTE 29 : CAPITAL, OTHER COMMITMENTS AND CONTINGENT LIABILITIES AT BALANCE SHEET DATE:

Capital and other commitment

(₹ in Millions)

Particulars	March 31, 2020	March 31, 2019	April 01, 2018
(i) Capital Commitment	4.95	0.94	1.11
(ii) Other Commitment	-	-	-

Contingent Liabilities

Particulars	March 31, 2020	March 31, 2019	April 01, 2018
(i) Bank Guarantees	1,250.00	500.00	500.00
(ii) Claim againsts the Company not acknowledge as debts*	-	0.47	-
Total	**1,250.00**	**500.47**	**500.00**

* The Group Companies is subject to legal proceedings and claims which arises in the ordinary course of the business. The Company's management does not reasonably expect that these legal actions, when ultimately concluded and determined, will have material and adverse effect on the Company's financial position.

NOTE 30 : ASSETS PLEDGED AS SECURITY

The carrying amounts of assets pledged as security for borrowings are:

(₹ in Millions)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
Financial assets			
First charge			
Other financial assets	916.12	-	-
Total assets pledged as security	**916.12**	**-**	**-**

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 group companies. Credit risk arises primarily from financial assets such as trade receivables, investments, derivative financial instruments, other balances with banks, loans and other receivables and other financial asset.

Credit quality analysis

The following tables sets out information about the credit quality of financial assets measured at amortised cost, FVOCI debt investments. Unless specifically indicated, for financial assets, the amounts in the table represent gross carrying amounts.

(₹ in Millions)

Particulars	As at March 31, 2020			
	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	0.02	1.65	-	1.67
Less : Impairment loss allowance	-	(0.36)	-	(0.36)
Carrying amount	**0.02**	**1.29**	**-**	**1.31**
Other Financial Assets	2,375.76	41.56	7.12	2,424.44
Less : Impairment loss allowance	-	(8.10)	(7.12)	(15.22)
Carrying amount	**2,375.76**	**33.46**	**-**	**2,409.22**

(₹ in Millions)

Particulars	As at March 31, 2019			
	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	19.51	-	0.45	19.96
Less : Impairment loss allowance	-	-	(0.45)	(0.45)
Carrying amount	**19.51**	**-**	**-**	**19.51**
Other Financial Assets	1,116.23	5.86	3.08	1,125.17
Less : Impairment loss allowance	-	(1.59)	(3.08)	(4.67)
Carrying amount	**1,116.23**	**4.27**	**-**	**1,120.50**

(₹ in Millions)

Particulars	As at April 1, 2018			
	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	-	5.61		5.61
Less : Impairment loss allowance	-	(0.56)	-	(0.56)
Carrying amount	**-**	**5.05**	**-**	**5.05**
Other Financial Assets	742.60	8.65	0.19	751.44
Less : Impairment loss allowance	-	(0.85)	(0.19)	(1.04)
Carrying amount	**742.60**	**7.80**	**-**	**750.40**

Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2020 (Contd.)

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
April 01, 2018	**1.41**	**0.19**	**1.60**
Increase/(Decrese) net	0.18	3.34	3.52
March 31, 2019	**1.59**	**3.53**	**5.12**
Increase/(Decrese) net	6.87	3.59	10.46
March 31, 2020	**8.46**	**7.12**	**15.58**

31 A.2. Collateral held

The group companies holds collateral of securities and other credit enhancements against its credit exposures.

31 A.3. Measurement of Expected Credit Loss

The group companies has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind AS whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

31 B. Liquidity risk

Liquidity risk arises from the Company's inability to meet its cash flow commitments on time. Prudent liquidity risk management implies maintaining sufficient stock of cash and marketable securities and maintaining availability of standby funding through an adequate line up of committed credit facilities. It uses a range of products mix to ensure efficient funding from across well-diversified markets and investor pools. Treasury monitors rolling forecasts of the company's cash flow position and ensures that the company is able to meet its financial obligation at all times including contingencies.

The table below analyse the group companies 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, 2020	As at March 31, 2019	As at April 1, 2018	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Trade payables & other payable	179.18	63.45	74.53	-	-	-
Working capital demand Loan	200.00	-	-	-	-	-
Loan from related parties	1,000.00	290.00	-	-	-	-
Bank overdraft	991.93	630.12	161.47	-	-	-
Other financial liabilities	2,418.57	1,349.76	435.07	41.57	-	-
Total	**4,789.68**	**2,333.33**	**671.07**	**41.57**	**-**	**-**

Notes forming part of Consolidated Financial Statements
For the year ended March 31, 2020 (Contd.)

31 C. Market risk

Market risk is the risk of any loss in future earnings, in realisable 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 group companies exposure to the risk of changes in market interest rates relates primarily to the group companies long-term debt and Non current investment.

Group companies 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, 2020	As at March 31, 2019	As at April 01, 2018
Bank overdraft	991.93	630.12	161.47
Working capital demand loan	200.00	-	-
Applicable rate & 12 months weighted average rate	8.20%	8.80%	9.05%
Annualised interest cost	97.74	55.45	14.61

Sensitivity analysis for impact on interest cost

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
Increase in 1% change in ROI	11.92	6.30	1.61
Decrease in 1% change in ROI	(11.92)	(6.30)	(1.61)

31 C.2. Fair value sensitivity analysis for fixed-rate instruments

The group companies does not have any fixed-rate instruments presented in financial statement.

31 C.3. Exposure to currency risks

The group companies does not have any exposure to foreign exchange risk arising form foreign currency transaction.

31 C.4. Exposure to Price Risk

The group companies exposure to price risk arising form investment held by the company and is classified in the balance sheet through fair value through profit & loss account. The group companies has investment in Exchange Traded Funds, equity shares & Mutual funds under various scheme and its exposure.

(₹ in Millions)

Particulars	Equity Shares (Other than Subsidiary)	Exchange Traded Fund	Mutual Funds	Preference Shares	Total
Market Value as on March 31, 2020	-	35.95	52.48	-	88.43
Market Value as on March 31, 2019	-	33.67	-	-	33.67
Market Value as on April 1, 2018	0.19	35.90	-	-	36.09

The effect of upward movement of 5% in the price affects the projected net income by ₹ 1.81 million and for forward downward movement of 5% the projected net loss will be ₹ 1.81 million for FY 2019-20.

Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2020 (Contd.)

31 D. Capital Management

The group companies 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 group companies 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 group companies monitors capital using debt equity ratio.

The group companies strategy is to maintain gearing ratio as per industry norms. The gearing ratio is as follows

(₹ in Millions)

Particulars	March 31, 2020	March 31, 2019
Total debt	2,191.93	920.12
Cash & cash equivalent (excluding client bank balance)	(16.11)	(8.86)
Net debt	**2,175.82**	**911.26**
Total equity	1,382.44	449.29
Net debt to equity	**1.57**	**2.03**

31 E. Fair values of financial instruments

The group companies 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 group companies uses widely recognised valuation models to determine the fair value of common and simple financial instruments, such as interest rate and currency swaps, that use only observable market data and require little management judgement and estimation. Observable prices or model inputs are usually available in the market for listed debt and equity securities, exchange-traded derivatives and simple OTC derivatives such as interest rate swaps. The availability of observable market prices and model inputs reduces the need for management judgement and estimation and also reduces the uncertainty associated with determining fair values.

The following table analyses financial instruments measured at fair value at the reporting date, by the level in the fair value hierarchy into which the fair value measurement is categorised.

The amounts are based on the values recognised in the statement of financial position. The fair values include any deferred differences between the transaction price and the fair value on initial recognition when the fair value is based on a valuation technique that uses unobservable inputs.

Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2020 (Contd.)

31 E. 1. 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, 2020			
	Level 1	Level 2	Level 3	Total
Exchange Traded Fund	35.95	-	-	35.95
Mutual Fund	52.48	-	-	52.48
Total Assets	**88.43**	**-**	**-**	**88.43**

(₹ in Millions)

Financial instruments measured at fair value	Recurring fair value measurements as at March 31, 2019			
	Level 1	Level 2	Level 3	Total
Exchange Traded Fund	33.67	-	-	33.67
Total Assets	**33.67**	**-**	**-**	**33.67**

(₹ in Millions)

Financial instruments measured at fair value	Recurring fair value measurements as at April 1, 2018			
	Level 1	Level 2	Level 3	Total
Exchange Traded Fund	35.90	-	-	35.90
Equity Shares (Other than Subsidiary)	0.19	-	-	0.19
Total Assets	**36.09**	**-**	**-**	**36.09**

31 E. 2. 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.

(₹ in Millions)

Particulars	As at March 31, 2020				
	Level 1	Level 2	Level 3	Total fair value	At amortised cost
Financial Assets					
Cash and cash equivalents	-	-	-	-	200.81
Bank balance	-	-	-	-	2,505.32
Trade and other receivable	-	-	-	-	7.35
Loans	-	-	-	-	670.70
Security deposit with Landlord	-	-	12.82	12.82	12.82
Other financial asset (net of impairment)	-	-	-	-	2,396.40
Total Assets	**-**	**-**	**12.82**	**12.82**	**5,793.40**
Financial Liabilities					
Borrowings	-	-	-	-	2,191.93
Trade and other payables	-	-	-	-	179.18
Other financial liabilities	-	-	-	-	2,460.14
Total Liabilities	**-**	**-**	**-**	**-**	**4,831.25**

Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2020 (Contd.)

(₹ in Millions)

Particulars	As at March 31, 2019				
	Level 1	Level 2	Level 3	Total fair value	At amortised cost
Financial Assets					
Cash and cash equivalents	-	-	-	-	621.75
Bank balance	-	-	-	-	532.25
Trade and other receivable	-	-	-	-	19.56
Loans	-	-	-	-	240.59
Security deposit with landlord	-	-	12.40	12.40	12.40
Other financial asset (net of impairment)	-	-	-	-	1,108.10
Total Assets	**-**	**-**	**12.40**	**12.40**	**2,534.65**
Financial Liabilities					
Borrowings	-	-	-	-	920.12
Trade and other payables	-	-	-	-	63.45
Other financial liabilities	-	-	-	-	1,349.76
Total Liabilities	**-**	**-**	**-**	**-**	**2,333.33**

(₹ in Millions)

Particulars	As at March 31, 2018				
	Level 1	Level 2	Level 3	Total fair value	At amortised cost
Financial Assets					
Cash and cash equivalents	-	-	-	-	194.71
Bank balance	-	-	-	-	112.25
Trade and other receivable	-	-	-	-	7.94
Security deposit with landlord	-	-	2.07	2.07	2.07
Other financial assets (net of impairment)	-	-	-	-	748.31
Total Assets	**-**	**-**	**2.07**	**2.07**	**1,065.28**
Financial Liabilities					
Borrowings	-	-	-	-	161.47
Trade and other payables	-	-	-	-	74.53
Other financial liabilities	-	-	-	-	435.07
Total Liabilities	**-**	**-**	**-**	**-**	**671.07**

The carrying amount of financial assets and financial liabilities whose fair value are not disclosed above and that are not measured at fair value are approximation of fair value.

Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2020 (Contd.)

31 E. 3. Measurement of fair value

The fair Values of Investments in Equity share and 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 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
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 Equity share	These indicates traded securities as defined in SEBI Regulations and Guidelines and the fair value is using input based on information / other data that are available.	Not Applicable	Not Applicable	Not Applicable

NOTE 32 : SEGMENT REPORTING

In the opinion of the management, there is only one reportable business segment as envisaged by Ind AS 108 on 'Operating Segment' issued by Institute of Chartered accountant of India. Accordingly, no separate disclosure for segment reporting is required to be made in the financial statements of the group companies. Secondary segmentation based on geography has not been presented as the group companies operates primarily in India and the group companies perceives that there is no significant difference in its risk and returns in operating from different geographic areas within India.

NOTE 33 : RELATED PARTY TRANSACTION

(A) As Per IND AS 24, the disclosures of transaction with the related parties are given below :

List of related parties where control exists and also related parties with whom transactions have taken place and relationships :

Nature of relationship	Name of party
Key Management Personnel	Mr. Prakarsh Gagdani- Whole time Director & CEO Mr. Santosh Jayaram- Whole time Director Mr Gourav Munjal- Whole time Director & CFO (WTD w.e.f. Jan 16, 2020) Mr. Roshan Dave- Company Secretary (upto Nov 30, 2019) Mrs. Namita Godbole- Company Secretary(w.e.f. Dec 01, 2019)

Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2020 (Contd.)

Nature of relationship	Name of party
Other Related Parties	IIFL Finance Limited (Formerly IIFL Holdings Limited)#
	IIFL Commodities Limited (Formerly India Infoline Commodities Limited)
	FIH Mauritius Investments Limited
	India Infoline Finance Limited (Merged with IIFL Finance Limited w.e.f. March 30, 2020)#
	IIFL Management Services Limited (Formerly India Infoline Insurance Services Limited)
	IIFL Insurance Brokers Limited (Formerly India Infoline Insurance Brokers Limited)
	IIFL Wealth Management Limited#
	IIFL Facilities Services Limited (Formerly IIFL Real Estate Limited)
	IIFL Wealth (UK) Limited
	IIFL Capital Inc
	IIFL Asset Reconstruction Limited (From May 9, 2017)
	IIFL Home Finance Limited
	Samasta Microfinance Limited
	IIFL Securities Pte Limited
	IIFL Capital Pte Limited
	IIFL Asset Management Limited
	IIFL Alternate Asset Advisors Limited
	IIFL Wealth Finance Limited
	IIFL Trustee Limited (Formerly India Infoline Trustee Company Limited)
	IIFL Distribution Services Limited#
	IIFL Investment Advisers and Trustee Services Limited
	IIFL Asia Pte Limited
	IIFL Private Wealth (Hong Kong) Limited**
	IIFL Private Wealth Management (Dubai) Limited
	IIFL Asset Management (Mauritius) Limited (Formerly IIFL Private Wealth (Mauritius) Limited)
	IIFL Inc
	IIFL Private Wealth (Suisse) SA.*
	Clara Developers Private Limited
	IIFL Capital (Canada) Limited
	IIFL Wealth Securities IFSC Limited
	IIFL Securities Services IFSC Limited
	IIFL Altiore Advisors Private Limited (Formerly Altiore Advisors Private Limited)
	IIFL Wealth Advisors (India) Limited- Amalgamated with IIFL Wealth Management Limited w.e.f. December 27, 2019.
	Meenakshi Tower LLP
	India Infoline Foundation
	Geocentric Solutions Private Limited (w.e.f. December 20, 2019 to March 23, 2020)
	Shreyans Foundation LLP
	Ayusha Dairy Private Limited
	Giskard Datatech Private Limited
	Sunder Bhanwar Holiday Home Private Limited (up to March 04, 2018)
	MNJ Consultants Private Limited
	India Infoline Employee Trust
	Nirmal Madhu Family Private Trust
	Sunder Bhawar Ventures Private Limited
	IIFLW CSR Foundation (Incorporated w.e.f. January 20, 2020)

Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2020 (Contd.)

Nature of relationship	Name of party
Others	Mr. Venkataraman Rajamani Mrs. Aditi Athavankar (wife of Venkataraman Rajamani) Mr. Nirmal Jain Mrs. Madhu Jain (wife of Nirmal Jain) Mrs. Aditi Athavankar (in the capacity of Kalki Family Private Trust) Orpheus Trading Pvt. Limited Ardent Impex Pvt Limited Prakarsh Sharad Gagdani - HUF Mrs Kalpana Gagdani (mother of Prakarsh Gagdani) Mrs Punam Gagdani (wife of Prakarsh Gagdani)

* IIFL Wealth Management Limited has dis-invested with effect from IIFL Private Wealth (Suisse) SA and accordingly does not hold any stake in IIFL Private Wealth (Suisse) SA. (Effective date of disinvestment: February 27, 2019)

* *IIFL Private Wealth (Hongkong) Limited' has ceased to carry its business operations and is in process of winding up.

Date of Demerger – April 01, 2018 being the appointed date in terms of the Composite Scheme of Arrangement amongst India Infoline Finance Limited ("IIFL Finance"), IIFL Holdings Limited ("IIFL Holdings"), India Infoline Media and Research Services Limited ("IIFL M&R"), IIFL Securities Limited ("IIFL Securities"), IIFL Wealth Management Limited ("IIFL Wealth") and IIFL Distribution Services Limited ("IIFL Distribution"), and their respective shareholders, under Sections 230 - 232 and other applicable provisions of the Companies Act, 2013 ("Scheme") approved by the Board of Directors of the Holding Company at its meeting held on January 31, 2018, and approved by the National Company Law Tribunal Bench at Mumbai (Tribunal) on March 07, 2019 under the applicable provisions of the Companies Act, 2013.

(B) Significant Transactions with Related Parties

(₹ in Millions)

Nature of transaction	2019-20	2018-19
Referral Income/Service Income/Brokerage Income/Depository Participate Income. etc. :-		
a) Other Related Parties		
IIFL Finance Limited*	11.18	1.17
IIFL Asset Management Limited	-	0.00
IIFL Securities Limited	-	4.56
IIFL Insurance Brokers Limited	-	1.05
b) Directors, Key Managerial Persons & their relatives		
Mr. Prakarsh Gagdani	0.00	-
Mr. Santosh Jayaram	0.00	-
Mr. Gourav Munjal	0.00	-
Mrs. Namita Godbole	0.00	-
Prakarsh Sharad Gagdani HUF	0.00	-
Mrs. Kalpana Gagdani	0.00	-
Mrs. Punam Gagdani	0.00	-
Security Deposit :-		
a) Other Related Parties		
IIFL Facilities Services Limited	7.81	7.81
IIFL Securities Limited	3.07	2.50

Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2020 (Contd.)

(₹ in Millions)

Nature of transaction	2019-20	2018-19
Remuneration :-		
Prakarsh Gagdani	9.93	7.67
Santosh Jayaram	3.18	2.36
Gourav Munjal**	3.32	0.63
Sitting Fees:-		
Dr. Archana Hingorani	0.39	-
Mrs. Nirali Sanghi	0.36	-
Mr. Sarbeshwar Lenka	0.27	-
Rent Expenses:-		
a) Other Related Parties		
IIFL Facilities Services Limited	15.63	20.00
IIFL Finance Limited	0.57	4.82
IIFL Securities Limited	5.56	-
Interest Expenses Inter Corporate Deposit:-		
a) Other Related Parties		
IIFL Securities Limited	1.38	15.76
IIFL Facilities Services Limited	19.44	6.20
IIFL Finance Limited*	53.63	6.64
IIFL Insurance Brokers Limited	0.23	-
IIFL Management Services Limited	3.60	-
Inter Corporate Deposit Taken :-		
a) Other Related Parties		
IIFL Facilities Services Limited	1,205.00	973.58
IIFL Finance Limited*	3,418.10	800.00
IIFL Securities Limited	-	1,010.00
IIFL Insurance Brokers Limited	20.00	-
IIFL Management Services Limited	300.00	-
Inter Corporate Deposit Repaid :-		
a) Other Related Parties		
IIFL Facilities Services Limited	1,365.00	813.58
IIFL Finance Limited*	2,418.10	800.00
IIFL Securities Limited	130.00	880.00
IIFL Insurance Brokers Limited	20.00	-
IIFL Management Services Limited	300.00	-

Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2020 (Contd.)

(₹ in Millions)

Nature of transaction	2019-20	2018-19
Allocation / Reimbursement of expenses Paid :-		
a) Other Related Parties		
IIFL Finance Limited*	8.50	3.51
IIFL Facilities Services Limited	13.56	15.13
IIFL Management Services Limited	0.27	0.12
IIFL Home Finance Limited	0.09	0.03
IIFL Securities Limited	72.72	40.16
Allocation / Reimbursement of expenses Received :-		
a) Other Related Parties		
IIFL Securities Limited	-	0.33
IIFL Finance Limited*	0.00	0.02
Others Paid :-		
a) Other Related Parties		
IIFL Securities Limited	3.59	0.12
India Infoline Finance Limited	2.54	0.06
IIFL Management Services Limited	0.04	-
IIFL Home Finance Limited	2.06	-
Others Received :-		
a) Other Related Parties		
IIFL Insurance Brokers Limited	0.12	-
IIFL Securities Limited	2.37	0.40
IIFL Management Services Limited	0.00	-
IIFL Home Finance Limited	0.51	-
IIFL Finance Limited*	1.97	0.15
IIFL Wealth Management limited	0.00	0.02
Security Deposit Received:-		
a) Other Related Parties		
IIFL Facilities Services Limited	-	11.05
IIFL Securities Limited	0.57	2.50
Security Deposit Repaid:-		
a) Other Related Parties		
IIFL Facilities Services Limited	-	3.23

Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2020 (Contd.)

(C) Closing Balance

(₹ in Millions)

Nature of transaction	2019-20	2018-19
Sundry Payable :-		
a) Other Related Parties		
IIFL Facilities Services Limited	0.13	1.43
IIFL Management Services Limited	0.02	0.02
IIFL Securities Limited	0.29	0.64
Prakarsh Sharad Gagdani HUF	0.00	
b) Directors & Relatives		
Mr. Gourav Munjal	0.00	-
Mrs. Kalpana Gagdani	0.13	-
Security Deposit		
a) Other Related Parties		
IIFL Securities Limited	3.07	2.50
IIFL Facilities Services Limited	7.81	7.81
Inter Corporate Deposit		
a) Other Related Parties		
IIFL Facilities Services Limited	-	160.00
IIFL Finance Limited*	1,000.00	130.00
Sundry Receivable :-		
a) Other Related Parties		
IIFL Finance Limited*	-	0.50
b) Directors & Relatives		
Mr. Prakarsh Gagdani	0.48	-
Mr. Santosh Jayaram	0.06	-
Mrs. Punam Gagdani	0.07	-
Mrs. Namita Godbole	0.00	-

* India Infoline Finance Limited has merged with IIFL Finance Limited w.e.f March 30, 2020 hence all transactions with both the Companies are merged and reported in IIFL Finance Limited .

** Mr Gourav Munjal was appointed as Chief Financial Officer w.e.f. January 16 , 2019.

@Amount is less then ₹ 0.01 million hence shown as ₹ 0.00 million.

Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2020 (Contd.)

NOTE 34 : The Company has implemented Employee Stock Option Scheme 2017 (ESOP Scheme) and has outstanding options granted under the said schemes. The options vest in graded manner and must be excercised with in specified period as per the terms of the grants made by the Nomination and Remuneration Committee and ESOP Schemes.

a) The details of various Employee Stock Option Schemes are as under.

Particulars	ESOP 2017
Method of Accounting	Intrinsic Value
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, 2020

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 April 1, 2018*	**220,000**	**194.00**	**-**	**6.8**
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Expired/Lapsed during the year	20,000	-	-	-
Exercised during the year	-	-	-	-
Outstanding as on March 31, 2019	**200,000**	**194.00**	**-**	**5.8**
Exercisable as on March 31, 2019	200,000	-	-	-
Granted during the year	200,000	157.30-200	-	-
Corporate Action Consequent to Rights Issue*	300,000	-	-	-
Forfeited during the year (including corporate action theiron)	-	-	-	-
Expired/Lapsed during the year*	28,000	157.30-200	-	-
Exercised during the year	-		-	-
Outstanding as on March 31, 2020	**672,000**	**157.30 -200**	**-**	**5.4**
Exercisable as on March 31, 2020	**672,000**	**157.30 -200**	**-**	**-**

* Pursuant to Corporate Action i.e. consequent to Rights issue (in the ratio of 1:1) as approved by the Board of Directors as on July 17, 2018 and in order to give a fair and reasonable treatment to the outstanding option holders holding options, additional options were granted to be convertible into equal number of equity shares of the company.

** Exercise price has been calculated after giving effect of additional options granted to employee consequent to right issue as approved by the board.

During the period NIL options has been excercised by the employee.

Fair Value Methodology

The fair value of the shares are measured using Black scholes formulae. Measurement inputs include share price on measurement date, exercise date of the instrument, exercise price, expected life, risk free interest rate, dividend yield, expected volatility

Key Assumptions used in Black-Scholes model for calculating fair value as on the date of grant are as follows:

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.

Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2020 (Contd.)

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 annualised 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 35 :

During the year under review, the Board at its meeting held on July 17, 2019 had authorized the issue of right shares pursuant to sec 62 of Companies Act, 2013. The record date for Rights issue was May 29, 2019. The said rights issue opened on Tuesday, July 23, 2019 and closed on Tuesday, August 06, 2019. The Rights Issue Committee approved the allotment of 1,27, 38,646 equity shares on August 20, 2019 and the shares were credited to the respective demat accounts on August 21, 2019. The Rights entitlement on 376 equity shares has been kept in abeyance. Post rights issue, the paid up share capital of the Company is ₹ 254.78 million i.e. 2,54,77,668 equity shares of ₹ 10 each.

NOTE 36 :

The group companies 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 Consolidated Financial Statements

For the year ended March 31, 2020 (Contd.)

NOTE 37 : The table below shows as analysis of assets and liabilities analyed according to when they are expected to be recoved or settled.

(₹ in Millions)

Particulars	As at March 31, 2020			As at March 31, 2019			As at April 1, 2018		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS									
(1) Financial Assets									
(a) Cash and cash equivalents	200.81	-	200.81	621.75	-	621.75	194.71	-	194.71
(b) Bank Balance other than (a) above	2,505.32	-	2,505.32	529.00	3.25	532.25	105.00	7.25	112.25
(c) Receivables	-	-		-	-			-	
(I) Trade receivables	1.31	-	1.31	19.51	-	19.51	5.05	-	5.05
(II) Other receivables	6.04	-	6.04	0.05	-	0.05	2.89	-	2.89
(d) Loans	670.70	-	670.70	240.59	-	240.59	-	-	-
(e) Investments	88.43	-	88.43	33.67	-	33.67	36.09	-	36.09
(f) Other financial assets	2,354.50	54.72	2,409.22	1,004.14	116.36	1,120.50	425.85	324.55	750.40
Sub-total	**5,827.11**	**54.72**	**5,881.83**	**2,448.71**	**119.61**	**2,568.32**	**769.59**	**331.80**	**1,101.39**
(2) Non-Financial Assets			-			-			-
(a) Inventories	-	-	-	-		-	-	-	-
(b) Current tax assets (net)	-	15.45	15.45	-	4.36	4.36	-	1.43	1.43
(c) Deferred tax assets (net)	0.12	231.79	231.91	-	213.37	213.37	-	149.45	149.45
(d) Property, Plant and Equipment	-	16.60	16.60	-	16.00	16.00	-	12.49	12.49
(e) Right to use assets	-	57.72	57.72	-	-	-		-	-
(f) Intangible assets under development	-	17.06	17.06	-.00	0.75	0.75	-	0.05	0.05
(g) Other intangible assets	-	7.78	7.78	-	5.81	5.81	-	8.77	8.77
(h) Other non-financial assets	48.15	-	48.15	12.98	-	12.98	38.72	-	38.72
Sub-total	**48.27**	**346.40**	**394.67**	**12.98**	**240.29**	**253.27**	**38.72**	**172.19**	**210.91**
Total Assets	**5,875.38**	**401.12**	**6,276.50**	**2,461.69**	**359.90**	**2,821.59**	**808.31**	**503.99**	**1,312.30**
LIABILITIES									
(1) Financial Liabilities									
(a) Payables									
(I) Trade payables									
(i) Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-	-	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	9.75	-	9.75	1.58	-	1.58	21.41	-	21.41

Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2020 (Contd.)

Particulars	As at March 31, 2020			As at March 31, 2019			As at April 1, 2018		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
(II) Other payables									
(i) Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-	-	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	169.43	-	169.43	55.87	6.00	61.87	51.05	2.07	53.12
(b) Debt securities	-	-	-	-	-	-	-	-	-
(c) Borrowings (Other than debt securities)	2,191.93	-	2,191.93	920.12	-	920.12	161.47	-	161.47
(e) Deposits	-	-	-	-	-	-	-	-	-
(f) Subordinated Liabilities	-	-	-	-	-	-	-	-	-
(d) Other financial liabilities	2,418.57	41.57	2,460.14	1,349.76	-	1,349.76	435.07	-	435.07
Sub-total	**4,789.68**	**41.57**	**4,831.25**	**2,327.33**	**6.00**	**2,333.33**	**669.00**	**2.07**	**671.07**
(2) Non-Financial Liabilities									
(a) Current tax liabilities (Net)	-	-	-	-	-	-	-	-	-
(b) Provisions	5.00	-	5.00	3.61	-	3.61	1.25	-	1.25
(c) Other non-financial liabilities	57.81	-	57.81	35.36	-	35.36	11.07	-	11.07
Sub-total	**62.81**	**-**	**62.81**	**38.97**	**-**	**38.97**	**12.32**	**-**	**12.32**
Total Liabilities	**4,852.49**	**41.57**	**4,894.06**	**2,366.30**	**6.00**	**2,372.30**	**681.32**	**2.07**	**683.39**
Net	**1,022.89**	**359.55**	**1,382.44**	**95.39**	**353.90**	**449.29**	**126.99**	**501.92**	**628.91**

Notes forming part of Consolidated Financial Statements
For the year ended March 31, 2020 (Contd.)

NOTE 38 : FIRST TIME ADOPTION OF INDIAN ACCOUNTING STANDARDS

These financial statements, for the year ended March 31, 2020, are the first financial statements the group has prepared in accordance with Ind AS. For periods up to and including the year ended March 31, 2019, the group companies prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read with Rule 7 of the Companies (Accounting Standard) Rule 2014 ('Previous GAAP' or 'Indian GAAP').

Accordingly, the group has prepared financial statements which comply with Ind AS applicable for periods ending on March 31, 2020 together with the comparative period data as at and for the year ended March 31, 2019, as described in the summary of significant accounting policies. In preparing these financial statements, all the group companies opening balance sheet prepared as at April 1, 2018, i.e the date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at April 1, 2018 and the financial statements as at and for the year ended March 31, 2019.

In preparing these financial statements, the group companies has applied the below mentioned optional exemptions and mandatory exceptions:

Exemptions applied

1. Mandatory Exemptions:-

The estimates as at April 1, 2018 and at March 31, 2019 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from the following items where application of Indian GAAP did not require estimation:

- Impairment of financial assets based on expected credit loss model;-
- Fair valuation of financial instruments carried at FVTPL and / or FVOCI.

The estimates used by the group to present these amounts in accordance with Ind AS reflects conditions at April 1, 2018, the date of transition to Ind AS and as of March 31, 2019.

b) De-recognition of financial assets and financial liability

The group companies has applied the de-recognition requirements under Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS.

c) Classification and Measurement of Financial Assets

The Group Companies has classified the financial assets in accordance with Ind AS 109 on the basis of facts and circumstances that exist at the date of transition to Ind AS.

2. Optional exemptions

d) Deemed cost - Previous GAAP carrying amount

Since there is no change in the functional currency, the group companies has elected to continue with the carrying value for all of Property, Plant and Equipment and Intangible Assets as recognised in its Indian GAAP financial as deemed cost at the transition date.

Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2020 (Contd.)

Effect of Ind AS adoption on the consolidated balance sheet as at March 31, 2019 and April 1, 2018

(₹ in Millions)

Particulars	Note No.	As at March 31, 2019			As at April 1, 2018		
		Indian GAAP	Adjustment	As per Ind AS	Indian GAAP	Adjustment	As per Ind AS
ASSETS							
(1) Financial Assets							
(a) Cash and cash equivalents		621.75	-	621.75	194.71	-	194.71
(b) Bank Balance other than (a) above		532.25	-	532.25	112.25	-	112.25
(c) Receivables			-			-	
(I) Trade receivables	**(i)**	19.96	(0.45)	19.51	5.60	(0.55)	5.05
(II) Other receivables		-	0.05	0.05	-	2.89	2.89
(d) Loans		240.59	-	240.59	-	-	-
(e) Investments	**(ii)**	32.64	1.03	33.67	56.50	0.09	36.09
(f) Other financial assets	**(i & v)**	1,119.80	0.71	1,120.50	733.28	17.12	750.40
Sub-total		**2,566.99**	**1.34**	**2,568.32**	**1,102.34**	**19.55**	**1,101.39**
(2) Non-Financial Assets							
(a) Current tax assets (Net)		4.36	-	4.36	1.43	-	1.43
(b) Deferred tax assets (Net)	**(iii)**	208.44	4.93	213.37	149.29	0.16	149.45
(c) Property, Plant and Equipment		16.00	-	16.00	12.49	-	12.49
(d) Capital work-in-progress		0.75	-	0.75	0.05	-	0.05
(f) Other intangible assets		5.81	-	5.81	8.77	-	8.77
(g) Other non-financial assets		13.00	(0.02)	12.98	38.15	0.57	38.72
Sub-total		**248.36**	**4.91**	**253.27**	**210.18**	**0.73**	**210.91**
Total		**2,815.35**	**6.25**	**2,821.59**	**1,312.52**	**20.28**	**1,312.30**
LIABILITIES AND EQUITY							
LIABILITIES							
(1) Financial Liabilities							
(a) Payables							
(I) Trade payables							
(i) total outstanding dues of micro enterprises and small enterprises		-	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		0.73	0.85	1.58	20.69	0.72	21.41
(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		0.20	61.67	61.87	-	53.12	53.12
(b) Debt securities		-	-	-	-	-	-
(c) Borrowings (Other than debt securities)		920.12	-	920.12	161.47	-	161.47
(d) Other financial liabilities	**(iv)**	1,347.21	2.55	1,349.76	433.90	1.17	435.07
Sub-total		**2,268.26**	**65.07**	**2,333.33**	**616.06**	**55.01**	**671.07**
(2) Non-financial liabilities							
(a) Current tax liabilities (Net)		-	-	-	-	-	-
(b) Provisions		70.39	(66.78)	3.61	54.09	(52.84)	1.25
(c) Other non-financial liabilities		13.36	22.00	35.36	13.01	(1.94)	11.07
Sub-total		**83.75**	**(44.78)**	**38.97**	**67.10**	**(54.78)**	**12.32**
(3) EQUITY							
(a) Equity share capital		127.39	-	127.39	127.39	-	127.39
(b) Other equity	**(i to vi)**	335.95	(14.05)	321.90	501.97	(0.45)	501.52
Sub-total		**463.34**	**(14.05)**	**449.29**	**629.36**	**(0.45)**	**628.91**
Total		**2,815.35**	**6.24**	**2,821.59**	**1,312.52**	**(0.22)**	**1,312.30**

Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2020 (Contd.)

Reconciliation of Total Comprehensive Income for the year ended March 31, 2019

(₹ in Millions)

Particulars	Note No.	Indian GAAP	Adjustments	As per Ind AS
Revenue from operations				
(a) Interest income		27.40	-	27.40
(b) Fees and commission income	**(vi)**	599.60	(20.55)	579.05
(I) Total revenue from operations		**627.00**	**(20.55)**	**606.45**
(a) Other income	**(ii)**	0.57	0.92	1.49
(II) Total income		**627.57**	**(19.63)**	**607.94**
(III) Expenses				
(a) Finance costs		68.27	-	68.27
(b) Employee benefits expenses	**(iv & v)**	257.81	10.98	268.79
(c) Depreciation, amortisation and impairment		14.43	-	14.43
(d) Others expenses	**(i)**	512.23	(2.68)	509.53
(III) Total expenses		**852.74**	**8.30**	**861.02**
(IV) Profit/(Loss) before exceptional items and tax (II-III)		(225.17)	(27.91)	(253.08)
(V) Exceptional items				-
(VI) Profit/(Loss) before tax (IV-V)		**(225.17)**	**(27.91)**	**(253.08)**
(VII) Tax Expense:				
(1) Current Tax		-	-	-
(2) Deferred Tax	**(iii)**	(59.14)	(4.41)	(63.55)
(VIII) Profit/(Loss) for the period from continuing operations (VI-VII)		**(166.03)**	**(23.50)**	**(189.53)**
(IX) Profit/(Loss) from discontinued operations		-	-	-
(X) Tax Expense of discontinued operations		-	-	-
(XI) Profit/(Loss) from discontinued operations (after tax) (IX-X)		-	-	-
(XII) Profit/(Loss) for the period (VIII+XI)		**(166.03)**	**(23.50)**	**(189.53)**
Other Comprehensive Income				
(i) Items that will not be reclassified to profit or loss		-	(1.45)	(1.45)
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	0.38	0.38
Other Comprehensive Income (XIII)		**-**	**(1.07)**	**(1.07)**
Total Comprehensive Income for the period (XII) + (XIII) (Comprising Profit/(Loss) and other Comprehensive Income for the period)		**(166.03)**	**(24.57)**	**(190.60)**

Explanatory Notes to Reconciliation of Total Equity and Total Comprehensive Income

(i) Allowances for Expected Credit Loss

As per the previous GAAP, the group companies was providing for financial assets based on incurred loss model. As per Ind AS 109, provision for impairment of financial asses is required to be made based on forward looking expected credit loss model. This has resulted in recognition of additional provision for expected credit loss as on transition date of April 01, 2018 and during the year ended March 31, 2019.

(ii) Fair Valuation of Investments

Under previous GAAP, current investments were measured at lower of cost or fair value. Under Ind AS, these financial assets have been classified as FVTPL on the date of transition. The fair value changes are recognised in the Statement of Profit and

Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2020 (Contd.)

Loss. On transitioning to Ind AS, these financial assets have been measured at their fair values which is higher than cost as per previous GAAP.

(iii) Deferred Tax Adjustments

Ind AS requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP. Deferred tax adjustments are recognised in relation to the underlying transaction either in retained earnings or a separate component of equity (OCI).

(iv) Fair Valuation of ESOPs

Under previous GAAP, the cost of employee share-based payments was recognised using the intrinsic value method. Under Ind AS, the cost of equity-settled employee share-based payments is recognised in the statement of profit and loss for the year ended March 31, 2019 based on the fair value of the options as on the grant date with consequent increase in the amount payable to the holding company.

(v) Remeasurement of Deferred Employee Benefits

Both under Indian GAAP and Ind AS, the Group Companies recognised costs related to its post-employment defined benefit plan on the basis of actuarial valuation. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, remeasurement comprising of actuarial gains and losses, the effect of the asset ceiling (excluding amounts included in net interest on the net defined benefit liability) and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability) are recognised in OCI.

(vii) Deferment of Revenue

Under Ind AS, the group companies has considered the revenue in case of its investment banking and training fee income on completion of the performance obligation as required in the Ind AS 115. This has resulted in reduction in income recognised on transition date of April 1, 2018 and during the year ended March 31, 2019.

NOTE 39: SUMMARY OF CONSOLIDATION

a) Enterprises consolidated as subsidiary in accordance with Indian Accounting Standard 110 - Consolidated Financial Statements.

Sr. No.	Name of subsidiaries	Country of Incorporation	Proportion of ownership interest	
			March 31, 2020	March 31, 2019
1	5paisa P2P Limited	India	100.00%	100.00%
2	5paisa Insurance Brokers Limited	India	100.00%	100.00%
3	5paisa Trading Limited	India	100.00%	-

Note:

1. 5paisa Insurance Brokers Limited has become a subsidiary of 5paisa Capital Limited in the previous year.
2. 5paisa Trading Limited has become a subsidiary of 5paisa Capital Limited in the current year.

Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2020 (Contd.)

b) Additional information, as required under schedule III to the Companies Act, 2013, of enterprises consolidated as subsidiaries.

As at March 31, 2020

Name of subsidiaries	Net Assets i.e. Total Assets minus Total Liabilities		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of consolidated Net Assets	₹ in Millions	As % of consolidated Profit or Loss	₹ in Millions	As % of consolidated Other Comprehensive Income	₹ in Millions	As % of consolidated Total Comprehensive Income	₹ in Millions
Parent								
5Paisa Capital Limited	100.02%	1,382.76	99.99%	(78.95)	100.00%	(1.52)	99.99%	(80.47)
Subsidiaries								
Indian								
1 5paisa P2P Limited	5.22%	72.20	0.01%	(0.01)	0.00%	-	0.01%	(0.01)
2 5paisa Insurance Brokers Limited	0.03%	0.45	0.03%	(0.02)	0.00%	-	0.03%	(0.02)
3 5paisa Trading Limited	0.04%	0.49	0.01%	(0.01)	0.00%	-	0.01%	(0.01)
Elimination	-5.31%	(73.46)	-0.04%	0.03	-	-	-0.04%	0.03
Total	**100.00%**	**1,382.44**	**100.00%**	**(78.96)**	**100.00%**	**(1.52)**	**100.00%**	**(80.48)**

NOTE 40 : NOTE ON COVID-19 IMPACT

Covid-19 has been declared as a global pandemic, the Indian Govt. has declared the complete lock down since March 24, 2020 and the same is continuing with minor exemptions and essential services were allowed to operate with limited capacity. Capital markets and banking services have been declared as essential services and accordingly, the group companies has been continuing the operations with minimal permitted staff at branches. However other employees were encouraged to work from home. All operations and servicing of clients were smoothly ensured without any interruptions as the activities of trading, settlement, DP, Stock Exchanges and depositories functions have been fully automated and seamless processes. Based on the facts and circumstances, the Group Companies has been operating in the normal course and there have been no adverse impacts on the assets, liquidity, revenues or operational parameters during the quarter and year ended as on March 31, 2020. The group companies is closely monitoring any material changes on a continuous basis.

NOTE 41 : 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

G.Sankar
Partner
Membership No.: 046050

Place: Mumbai
Dated: May 07, 2020

For and on behalf of Board of Directors

Prakarsh Gagdani
Whole Time Director & CEO
(DIN: 07376258)

Santosh Jayaram
Whole Time Director
(DIN: 07955607)

Gourav Munjal
Whole Time Director & CFO
(DIN: 06360031)

Namita Godbole
Company Secretary

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Dr. Archana Niranjan Hingorani
Chairman & Independent Director

Mr. Prakarsh Gagdani
Whole Time Director & Chief Executive Officer

Ms. Nirali Sanghi
Independent Director

Mr. Milin Mehta
Independent Director

Mr. Santosh Jayaram
Whole Time Director

Mr. Gourav Munjal
Whole Time Director and Chief Financial Officer

COMMITTEE OF THE BOARD

Audit Committee

Dr. Archana Niranjan Hingorani
Chairman & Independent Director

Mr. Milin Mehta

Ms. Nirali Sanghi

NOMINATION AND REMUNERATION COMMITTEE

Ms. Nirali Sanghi
Chairman, Independent Director

Dr. Archana Niranjan Hingorani

Mr. Milin Mehta

STAKEHOLDERS' RELATIONSHIP COMMITTEE

Ms. Nirali Sanghi
Chairman, Independent Director

Dr. Archana Niranjan Hingorani

Mr. Prakarsh Gagdani

COMPANY SECRETARY & COMPLIANCE OFFICER

Ms. Namita Amod Godbole

CHIEF FINANCIAL OFFICER

Mr. Gourav Munjal

CORE MANAGEMENT

Employee	Department
Mr.Mayur Dedhia	Partners & Alliances
Mr. Rajesh Jain	Operations
Mr. Vikram Sahni	Sales
Ms. Priyanka Patki	Technology
Mr. Shoaib Qureshi	Customer Services
Ms. Namita Godbole	Compliance and Legal

AUDITORS

M/s. V. Sankar Aiyar & Co.
Chartered Accountants

INTERNAL AUDITORS

M/s. Mahajan & Aibara
Chartered Accountants

REGISTRAR AND SHARE TRANSFER AGENT

Link Intime (India) Private Limited
C-101, 247, Lal Bahadur Shastri Marg, Gandhi Nagar,
Vikhroli West, Mumbai – 400083

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

LIST OF BANKERS

ICICI Bank Limited
HDFC Bank Limited
Axis Bank Limited
Yes Bank Limited
Punjab National Bank
IDFC First Bank Limited
Citi Bank
IndusInd Bank Limited
DCB Bank Limited
Kotak Mahindra Bank

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Followers: **4,857**

instagram.com/5paisa/?hl=en

Followers: **5,079**

5paisa Capital Limited
CIN: L67190MH2007PLC289249

Corporate Office / Registered Office:
IIFL House, Sun Infotech Park, Road No. 16,
Plot no. B-23, MIDC,
Thane Industrial Estate, Wagle Estate,
Thane – 400604
E-mail: ir@5paisa.com | csteam@5paisa
Website: www.5paisa.com