SHAREKHAN LIMITED

Sharekhan

by BNP PARIBAS

Twenty-Seventh Annual Report

2021-2022

Company Information

Board of Directors:
Mr. Jaideep Arora
(Whole-Time Director & Chief Executive Officer)
Mr. Jean Christophe Marie Gougeon
(Whole-Time Director)
Mr. Shankar Vailaya
(Whole-Time Director up to July 20, 2021)
Mr. Stefan Groening
(Whole-Time Director and Chief Operating Officer)
Mr. Alain Papiasse
(Non-executive Director up to Reappointed as on April 13, 2021 up to 07.09.2021)
Mr. Ambareesh Murty
(Independent Director)
Ms. Franciska Maria Godelieve Decuypere
(Non-executive Director)
Ms. Gowri Thyagarajan
(Independent Director up to February 16, 2022)
Mr. Hugues Maisonnier
(Non-executive Director)
Mr. Jean-Philippe Hugue
(Appointed as Non-executive Director on November 08, 2021)
Mr. AymarArthur Andre De Liedekerke Beaufort
(Appointed as Non-executive Director on November 11, 2021)
Ms. Parminder Varma
(Appointed as Whole time Director w.e.f. March 25, 2022)
Dr. Santanu Paul
(Appointed as Independent Director on April 28, 2022)

Chief Financial Officer
Mr. Satish Nagda
(*Resigned on November 12, 2021)*
Mr. Sumeet Chugh
(appointed w.e.f April 28, 2022)

Company Secretary:
Mr. Vijay Sakali

Auditors
M/s. Kalyaniwalla & Mistry LLP
Chartered Accountants, Mumbai

Registrar & Share Transfer Agent:
KFIN Technologies Private Limited
(*Formerly known as Karvy Fintech Private Limited*)
Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddi, Telangana - 500 032, India.

Registered Office:
Lodha iThink Techno Campus, 10th Floor, Beta Building, Off. JVLR, Opp. Kanjurmarg Station, Kanjurmarg (East), Mumbai – 400 042, Maharashtra, India.

Changed w.e.f. April 28, 2022
18th Floor-South Wing, The Ruby, Senapati Bapat Marg, Dadar (w), Mumbai – 400 028, Maharashtra, India.

CIN: - U99999MH1995PLC087498
Tel No.: - 022-67502000 **Fax:** 022-24327343
Mail:-sk.investors@sharekhan.com; companysecretarial@sharekhan.com
Website: www.sharekhan.com

Contents

DIRECTORS' REPORT

To,
The Members,
Sharekhan Limited

Your Board of Directors ("Board") has pleasure in presenting the Twenty-Seventh Annual Report of Sharekhan Limited ("the Company"), along with the Audited Financial Statements for the financial year ended 31st March, 2022.

1. FINANCIAL STATEMENTS & RESULTS:

a. FINANCIAL RESULTS

The Company's financial performance during the year ended 31st March, 2022 as compared to the previous financial year, is summarized below:

(Rs. in millions)

	Standalone		**Consolidated**	
Particular	**31st March, 2022**	31st March, 2021	**31st March, 2022**	31st March, 2021
Income	**11,611**	**11,416**	**13,246**	**10,791**
Less: Expenses	**7,615**	**6,401**	**8,236**	**6,949**
Profit before Depreciation, Interest and Tax	**3,996**	**5,015**	**5,009**	**3,840**
Depreciation and Amortization of assets	**467**	**568**	**500**	**607**
Financial Charges	**497**	**117**	**941**	**351**
Profit before tax	**3,032**	**4,330**	**3,569**	**2,884**
Less: Provision for tax	**778**	**629**	**924**	**740**
Profit after Tax **(A)**	**2,254**	**3,701**	**2,645**	**2,144**
Other Comprehensive Income /(Loss) **(B)**	**(21)**	**(8)**	**(22)**	**(8)**
Total Comprehensive Income for the Year **(A+B)**	**2,233**	**3,693**	**2,623**	**2,136**
Balance carried to Balance sheet i.e. retained earning	**10,300**	**8,508**	**10,835**	**8,781**

APPROPRIATION

Particulars	**31st March, 2022**	31st March, 2021
Interim Dividend	441	3,994.7
Final Dividend	-	1,997.4
Transfer of General Reserve	-	-
Balance carried to Balance sheet i.e. retained earnings	**10,300**	**8,508**

b. OPERATIONS:

The Company continues to be engaged in the activities pertaining to stock broking, Portfolio Management Services and Depository Participants. The Company also offers commodity derivatives broking services along with the existing equity & currency broking services and is also a trading and clearing member in commodity segment with Multi Commodity Exchange of India Limited (MCX). The Company offers its services to all types of customers- individual investors and traders, corporate, institutional and NRIs; trade execution facilities for cash as well as derivatives, on BSE, NSE and MSEI, depository services (NSDL & CDSL), mutual funds, initial public offerings (IPOs), Research Analyst. The Company also provides market related news and updates, stock quotes fundamental and statistical information across equity, mutual funds, IPOs and much more.

The Company also proposes to undertake distribution and servicing contributions into National Pension Scheme and other schemes, administered and regulated by the Pension Fund Regulatory and Development Authority (PFRDA) along with its existing business activities.

On standalone basis, the total income for the F.Y. 2022 was Rs. 11,616 MN, which is 1.75% higher over the previous year Rs. 11,416 MN. Our total income on consolidated basis was Rs. 13,246MN as against the previous year of Rs. 10,791 MN.

On standalone basis, the Profit after Tax and Comprehensive Income for the F.Y. 2022 was Rs. 2,233MN as against previous years' Rs. 3,693 MN, thereby recording a decline of 39.53% Our net profits after Tax and

Comprehensive Income for the Year on consolidated basis amounted for Rs. 2,623 MN as compared to previous year's Rs. 2,136 MN which is 22.79% higher over the previous year.

There was no change in nature of the business of the Company, during the year under review.

c. REPORT ON PERFORMANCE OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES:

The Company has Four subsidiaries and Two step down subsidiaries as on March 31, 2022. The Company does not have any joint venture or associate Company within the meaning of Section 2(6) of the Companies Act, 2013.

Pursuant to the provisions of Section 129 (3) of the Companies Act, 2013, a statement containing salient features of financial statements of the Company's subsidiaries in Form AOC-1 is disclosed under **Annexure I** and forms part of this Report.

During the period under review, Company has the following company as wholly owned subsidiary companies: -

- Sharekhan Commodities Private Limited;
- Wealthtiger Investment Advisors Private Limited.
- Espresso Financial Services Private Limited *(formerly known as Sharekhan Comtrade Private Limited)*
- Sharekhan BNP Paribas Financial Services Limited: -
    - Sharekhan Consultants Private Limited;
    - Sharekhan.com India Private Limited.

d. DIVIDEND:

During the year under review, the Board at its Meeting held on May 28, 2021 declared an interim dividend of Rs. 7.5/- per equity share i.e. (at the rate of 75%) for the Financial year –March 31, 2021 which was paid to all eligible Shareholders who were the register members as on May 28, 2021 being the record date fixed for this purpose, and payment was made on May 28, 2021. The amount of dividend including tax thereon was Rs. 440,596,335/- (Rupees Forty-Four Crores Five Lakhs Ninety-Six Thousands Three Hundred Thirty-Five Only).

e. TRANSFER TO RESERVES:

The Board has not recommended transfer of any amount to the General Reserve out of the amount available for appropriation and an amount of Rs. 10,300 MN is proposed to be carried forward to the retained earnings.

f. CONSOLIDATED FINANCIAL STATEMENTS:

The Consolidated Financial Statements have been prepared as per the relevant Indian Accounting standards (Ind AS) as issued by the Institute of Chartered Accountants of India and notified under Section 133 of the Companies Act, 2013 with the rules made there under. The said consolidated financial statements form part of this Annual Report.

g. PARTICULAR OF CONTRACTS OR ARRANGEMENT WITH RELATED PARTIES:

During the year, the Company has not entered into any contracts or arrangements or transactions with related party which are material in nature or was not at arm's length basis.

h. PARTICULARS OF LOANS, GUARANTEES, INVESTMENTS AND SECURITIES:

Particulars of loans, guarantees, investments and securities provided during the financial year under review along with the purposes for which such loans, guarantees, investment and securities are proposed to be utilized by the recipients thereof, has been furnished in **Annexure II** which forms part of this report.

i. DISCLOSURE UNDER SECTION 62(1)(b) OF THE COMPANIES ACT, 2013:

The Company has not issued any equity shares under Employees Stock Option Scheme during the year under review and hence no information as per provisions of Section 62(1)(b) of the Act read with Rule 12(9) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.

j. DISCLOSURES UNDER SECTION 134(3)(l) OF THE COMPANIES ACT, 2013:

Except as disclosed elsewhere in this report, no material changes and commitments which could affect the Company's financial position have occurred between the end of the financial year of the Company and date of this report.

k. CHANGE OF THE REGISTERED OFFICE:

The Board of Directors at their Meeting held on April 28, 2022, approved the change of the Registered Office of the Company with in the local limit of town to The Ruby, 18th Floor, 29 Senapati Bapat Marg, Dadar (West), Mumbai – 400 028, Maharashtra, INDIA.

l. ALTERATION OF MEMORANDUM OF ASSOCIATION:

During the year under review, the Company, Company in its board meeting dated October 7, 2021 and with approval of Shareholders at its Extra-Ordinary General Meeting (EGM) (EGM/ 2021-22/I) dated January 10, 2022, altered the Main object clause of the Memorandum of Association ("MOA") of your Company, in order to undertake distribution and servicing contributions into National Pension Scheme and other schemes, administered and regulated by the Pension Fund Regulatory and Development Authority (PFRDA) along with its existing business activities.

m. SHARE CAPITAL:

The Authorized Share Capital of the Company as on March 31, 2022 is Rs. 90,00,00,000/- (Rupees Ninety Crores only) divided into 79,644,833 (Seven Crore Ninety-Six Lacs Forty Four Thousand Eight Hundred and Thirty Three) Equity Shares of Rs. 10/- each and 10,355,167 (One Crore Three Lacs Fifty-Five Thousand One Hundred and Sixty Seven) Preference Shares of Rs. 10/- each. The paid - up capital of the Company is Rs. 587,461,780/- (Fifty-Eight Crore Seventy Four Lacs Sixty One Thousand Seven Hundred and Eighty) divided into 58,746,178 (Five Crore Eighty Seven Lacs Forty Six Thousand One Hundred and Seventy Eight) Equity Shares of Rs. 10/- each.

2. MATTERS RELATED TO DIRECTORS AND KEY MANAGERIAL PERSONNEL

a) BOARD OF DIRECTORS & KEY MANAGERIAL PERSONNEL:

As on March 31, 2022, the Board of the Company comprises of 9 (Nine) Directors, out of which 1 (One) is Independent Director. The constitution of the Board of the Company is in accordance with the provisions of Section 149 of the Companies Act, 2013.

Mr. Shankar Vailaya (DIN: 00090509), Whole-Time Director of the resigned as a Director of the Company, tendered through the letter dated June 23, 2021 received as on June 24, 2021, which was further subject to the prior approval of the Stock/Commodity Exchange. The Company had received its last approval from Multi Commodity Exchange of India Limited ('MCX') vide its letter dated July 20, 2021. The Company takes on record a deep sense of appreciation for valuable contribution made by Mr. Shankar Vailaya (DIN: 00090509) during his tenure on Company's Board.

During the period under review, Mr. Alain Pascal Papiasse (DIN: - 07672704) appointment as a Additional Director (Non- Executive Category) of the Company with effect from April 13, 2021 has tendered his resignation as a Director (additional Director) of the Company, through the letter dated September 7, 2021. The Company takes on record a deep sense of appreciation for valuable contribution made by Mr. Alain Pascal Papiasse (DIN: - 07672704) during his tenure on Company's Board.

The Board of Directors in the Board Meeting dated October 7, 2021 approved the appointment , which was further subject to the last approval received from the Exchanges of Mr. Jean Philippe Huguet (DIN: 07539502) and Mr. Aymar Arthur Andre De Liedekerke Beaufort (DIN: 09239176) as Additional Director(s) (Non-Executive Category) with effect from with effect from November 08, 2021 and November 11, 2021 respectively in accordance with the provisions of the Companies Act, 2013 and rules made thereunder. However, the Company has received a notice in writing from members proposing to appoint them as Directors of the Company and were regularized / appointed as Directors by the shareholders of the Company at the Extra-Ordinary General Meeting held on January 10, 2022.

During the period under review, Mr. Ambareesh Murty (DIN: 03279054), Independend Director, re-appoint for the second term for a period of Three year(s) w.e.f. February 17, 2022, by the shareholders of the Company at the Extra-Ordinary General Meeting held on May 10, 2022.

During the period under review, Ms. Gowri Thyagarajan (DIN: 07029599), vacated the office of Independent Director, on completion of her tenure of 5 Consecutive year, pursuant to Section 149(10) of the Companies Act, 2013. The Company takes on record a deep sense of appreciation for valuable contribution made by Ms. Gowri Thyagarajan (DIN: 07029599) during her tenure as Independent Director on Company's Board.

The Board of Directors in the Meeting dated February 10, 2022 proposed and approved the appointment of Ms. Parminder Varma (DIN: 09492605) as an Additional Director (Executive Category) of the Company, with effect from the date receipt of requisite approval of exchange(s) and shall hold office till the conclusion of ensuing Annual General Meeting. Further on recommendation of Nomination and Remuneration Committee on the Meeting dated February 10, 2022 proposed the Board for the appointment of Ms. Parminder Varma (DIN: 09492605) as whole-Time Director, which is further subject to the approval of the Shareholders of the Company, where by the Company received its last approval from Exchange dated April 25, 2022. However, the Company has received a notice in writing from members proposing to appoint him as Directors of the Company and was regularized / appointed as Directors on such terms and conditions by the shareholders of the Company in the Extra-Ordinary General Meeting held on May 10, 2022.

Further based on the recommendation received from Nomination and Remuneration Committee of the Company and pursuant to the provision of Section 149, 150 and 152 of the Companies Act, 2013 and as per the notice in writing received by the Company under Section 160 of the Act, from One of the Member, and to fill the vacancy created due to completion of term of Ms. Gowri Thyagarajan (DIN: 07029599), Board Member(s) in the meeting dated April 28, 2022 and Shareholders in their Extra-Ordinary General Meeting held on May 10, 2022, appointed Mr. Santanu Paul (DIN: 02039043) as Independent Director (Non-Executive Independent Category) for a term of 5 (Five) consecutive years with effect from April 28, 2022.

Furthermore, during the year under review, Mr. Satish Nagda, ceased to be a Key Managerial Personnel (KMP's), upon his resignation at the close of Business Hours on November 12, 2021. Whereas Mr. Sumeet Chugh was appointed as the Chief Financial Officer at the Board Meeting dated April 28, 2022 and was designated as a Key Managerial Personnel with immediate effect, pursuant to Section 203 of the Companies Act, 2013 read with Rule 8 of the Companies (Appointment and Remuneration) Rules, 2014.

Further, pursuant to the provisions of Sections 196, 197 and 203 of the Companies Act, 2013, Five years tenure of Mr. Stefan Groening (DIN: 07657587) as Whole Time Director (WTD) shall expiring on August 31, 2022. The Board of Directors recommends his re-appointment and the matter accordingly, being placed for the approval of members at the ensuing Annual General Meeting.

The above re-appointments form a part of the Notice of the forthcoming 27th Annual General Meeting, and the Resolutions are recommended for Members' approval.

Pursuant to the provisions of Section 152 of the Companies Act, 2013, One - Third of the Directors are liable to retire by rotation every year and if eligible offer them for re-appointment at the Annual General Meeting. Consequently, Ms. Franciska Decuypere (DIN: - 06869435), Mr. Hugues Maisonnier (DIN: - 07675507) and Mr. Jean-Philippe Huguet (DIN: - 07539502), Directors being longest in the office, are liable to retire by rotation at the ensuing Annual General Meeting of the Company and being eligible has offered themselves for re-appointment. The Board of Directors recommends their re-appointment and the matter is being placed for the approval of the members at the ensuing Annual General Meeting of the Company.

b) DECLARATIONS BY INDEPENDENT DIRECTORS:

The Company has received and taken on record the declarations received from the Independent Directors of the Company in accordance with the Section 149 (6) of the Companies Act, 2013 confirming their independence.

3. DISCLOSURES RELATED TO BOARD, COMMITTEES AND POLICIES

a. BOARD MEETINGS:

The Board of Directors met 5 (Five) times during the financial year under review i.e. on May 28, 2021, September 17, 2021, October 7, 2021 November 12, 2021 and February 10, 2022 in accordance with the provisions of the Companies Act, 2013 and rules made there under.

b. EXTRA-ORDINARY GENERAL MEETINGS:

During the Financial year 2021-22, Extra-Ordinary General Meeting (EGM-I) of the Company was held on January 10, 2022 based on approval of its members, in accordance with the provisions of the Companies Act, 2013 and rules made there under.

The Agenda of the Extra-Ordinary General Meeting (EGM-1) includes (Ordinary Resolution) items No 1.: - To regularize and/or appoint Mr. Jean Philippe Huguet (DIN: 07539502) as a Director of the Company, item No. 2.: -To regularize and/or appoint Mr. Aymar Arthur Andre De Liedekerke Beaufort (DIN: 09239176) as a Director of the Company; (Special Resolution) item No. 3.:- To consider and enhance the borrowing limit of the Company over and above the limit as prescribed under Section 180 of the Companies Act, 2013; item No. 4.: To alter the main object clause of Memorandum of Association of the Company:

c. DIRECTOR'S RESPONSIBILITY STATEMENT:

In terms of Section 134(5) of the Companies Act, 2013, in relation to the audited financial statements of the Company for the year ended 31st March, 2022, the Board of Directors hereby confirms 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. such accounting policies have been selected and applied consistently and the Directors have 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 as at 31st March, 2022 and of the profit of the Company for that year;
c. proper and sufficient care was taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
d. the annual accounts of the Company have been prepared on a going concern basis; and
e. proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

d. NOMINATION AND REMUNERATION COMMITTEE:

The composition of the Nomination and Remuneration Committee was modified by the Board of Directors passing the resolution in the Board Meeting dated October 07, 2021 due to the resignation of Mr. Alain Papiasse (DIN: 07672704) and appointment of Mr. Aymar De Liedekerke Beaufort (DIN: 09239176) and Mr. Jean

Philippe Huguet (DIN: 07539502) as a Director(s) of the Company where as Ms. Gowri Thyagarajan (DIN: 07029599), vacated her office as Director of the Company under Section 167 of the Companies Act, 2013 as on February 16, 2022 and subsequent due to the said vacation, the composition of the Nomination and Remuneration Committee along with relevant paragraph of the policy, if any, gets modified subsequently, the composition of the Nomination and Remuneration Committee was modified and post which the committee consisted as under: -

Sr. No.	Name	Designation
1	Mr. Aymar De Liedekerke Beaufort (w.e.f. October 07, 2021)	Member
2	Mr. Ambareesh Murty	Member
3	Ms. Gowri Thyagarajan (up to February 16, 2022)	Member
4	Ms. Franciska Decuypere	Member

The Nomination and Remuneration Committee met 3 (Three) times during the financial year under review i.e. May 28, 2021, September 17, 2021 and February 10, 2022.

The Composition of the Nomination and Remuneration Committee is in conformity with the provisions of Section 178 of the Companies Act, 2013.

The Committee is responsible for identifying the individual who could be qualified to become directors on the Board, KMP's and the senior management one level below the executive directors of the Company. The Board shall be responsible for reviewing the appointment of Directors which shall include, Executive Directors, Non-Executive Directors, Independent Directors, KMP's and the senior management One level below the executive directors. The Committee had reviewed and approved the new version of Evaluation Policy by replacing the existing policy and the same has been recommended to the Board and the Board of Directors, after incorporating necessary changes as recommended accepted and adopted the new version of Evaluation policy at its meeting dated March 12, 2020 and the Board of Directors, on the recommendations of the Nomination and Remuneration Committee has decided to defer the effective date of the policy at its Board meeting held on February 18, 2021 and the policy shall be made effective from April 1, 2021.

During the year under review, the Board of Directors of the Company has accepted all the recommendations of the Committee.

The Company has placed the policy on its website https://www.sharekhan.com/

e. <u>AUDIT COMMITTEE:</u>

The composition of the Audit Committee was modified by the Board of Directors in the Board Meeting dated October 07, 2021 due to the appointment of Mr. Jean Philippe Huguet (DIN: 07539502) as Director of the Company and subsequent to the vacation of Ms. Gowri Thyagarajan (DIN: 07029599), on completion of her tenure as Independent Director of the Company, under Section 167 of the Companies Act, 2013 as on February 16, 2022, the composition of the Nomination and Remuneration Committee along with relevant paragraph of the policy, if any, gets modified due to the said vacation and post which the committee consisted as under: -

Sr. No	Name	Designation
1	Ms. Franciska Decuypere	Chairperson
2	Ms. Gowri Thyagarajan (up to February 16, 2022)	Member
3	Mr. Ambareesh Murty	Member
4	Mr. Jean Philippe Huguet (w.e.f. October 07, 2021)	*(Permanent Invitee)*

The composition of the Audit Committee is in conformity with the provisions of the Section 177 of the Companies Act, 2013.

The Audit Committee met 4 (Four) times during the financial year under review i.e. May 28, 2021, September 17, 2021, November 12, 2021 and February 10, 2022.

The Members of the Audit Committee are financially literate and have requisite accounting and financial management expertise.

During the year under review, the Board of Directors of the Company has accepted all the recommendations of the Committee.

f. <u>STAKEHOLDERS RELATIONSHIP COMMITTEE:</u>

During the year under review, the total number of shareholders of our Company is below the limit of 1,000 shareholders, therefore, the Company is not required to constitute the Stakeholders Relationship Committee, pursuant to Section 178 of the Companies Act, 2013.

g. <u>VIGIL MECHANISM POLICY FOR THE DIRECTORS AND EMPLOYEES:</u>

The Board of Directors of the Company has, pursuant to the provisions of Section 178(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, framed "Whistle

Blower Policy" for Directors and employees of the Company to provide a mechanism which ensures adequate safeguards to employees and Directors from any victimization on raising of concerns of any violations of legal or regulatory requirements, incorrect or misrepresentation of any, financial statements and reports, etc.

The employees of the Company have the right/option to report their concern/grievance to the Head of Compliance through the dedicated email ID whistleblowing@sharekhan.com.

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. As on March 31, 2022, there are no cases of Whistle Blowing.

h. RISK MANAGEMENT COMMITTEE:

The composition of the Risk Management Committee was modified by the Board of Directors in the Board Meeting dated October 07, 2021 due to the appointment of Mr. Jean Philippe Huguet (DIN: 07539502) as the member and post which the committee consisted as under: -

Sr. No.	Name	Designation
1.	Mr. Hugues Maisonnier	Chairperson
2.	Mr. Stefan Groening	Member
3.	Ms. Franciska Decuypere	Member
4.	Mr. Jean Philippe Huguet	Member

The Risk Management Committee met 1 (One) time during the financial year under review i.e. September 16, 2021.

The Board of Directors of the Company has designed Risk Management Policy and Guidelines to avoid / mitigate events, situations or circumstances which may lead to negative consequences on the Company's businesses and define a structured approach to manage uncertainty and to make use of these in their decision making pertaining to all business divisions and corporate functions. Key business risks and their mitigation are considered in the annual/strategic business plans and in periodic management reviews.

i. CORPORATE SOCIAL RESPONSIBILITY:

In accordance with the provisions of Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board of Directors of the Company have constituted Corporate Social Responsibility (CSR) Committee. The Committee is entrusted with the responsibilities of:

- Formulating and recommending to the Board, Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken;
- Monitoring the implementation of the framework of the CSR Policy; and
- Recommending the CSR amount to be spent on the CSR activities.

The brief outline of the Company's CSR initiatives undertaken during the year under review is disclosed in **Annexure III** in the format as prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014.

The Corporate Social Responsibility Committee constituted by the Board of Directors of the Company in accordance with the provisions of Section 135 of the Companies Act, 2013. The composition of the Corporate Social Responsibility Committee was modified by the Board of Directors passing the resolution through circulation due to the resignation of Mr. Shankar Vailaya (DIN: 00090509) and Mr. Jean Christophe Marie Gougeon was appointed as the Member in his place and post and post which the committee consisted as under: -

Sr. No.	Name	Designation
2	Mr. Jaideep Arora	Member
3	Mr. Ambareesh Murty	Member
4	Ms. Franciska Decuypere	Member
5	Mr. Jean Christophe Marie Gougeon	Member
6	Mr. Shankar Ramkrishnan	Permanent Invitee

The Corporate Social Responsibility Committee met 2 (Two) times during the financial year under review i.e. May 28, 2021 and November 17, 2021.

The Company has placed the policy on its website https://www.sharekhan.com/

j. INDEPENDENT DIRECTOR'S MEETING:

During the period under review, the Independent Directors met on February 10, 2022, inter alia to discuss the evaluation of the performance of Non-Independent Directors and the Board of Directors as a whole and to review the quality, quantity and timelines of flow of information between the Company Management and Board and its members that is necessary for the Board to effectively and reasonably perform their duties.

Both the Independent Directors were present at the meeting.

k. ANNUAL EVALUATION OF DIRECTORS, COMMITTEE AND BOARD:

Pursuant to the provisions of the Companies Act, 2013 and rules made there under, the formal annual evaluation needs to be made by the Board of its own performance and that of the Committees and individual directors. Schedule IV of the Companies Act, 2013 states that, the performance evaluation of Independent Directors shall be done by the Board of Directors of the Company, excluding the independent director being evaluated.

The evaluation of all the directors and the Board as a whole including the Committee will be conducted based on criteria and framework adopted by the Board. The evaluation process has been explained in the **Annexure IV.** The evaluation results as collated by the Nomination and Remuneration Committee was placed in the meeting of the Board of directors dated February 10, 2022.

During the period under review, none of the Independent Directors are due for re-appointment.

l. <u>INTERNAL CONTROL SYSTEMS:</u>

Adequate internal control systems commensurate with the nature of the Company's business and size and complexity of its operations are in place and have been operating satisfactorily. Internal control systems comprising of policies and procedures are designed to ensure reliability of financial reporting, timely feedback on achievement of operational and strategic goals, compliance with policies, procedure, applicable laws and regulations and that all assets and resources are acquired economically, used efficiently and adequately protected.

m. <u>PAYMENT OF REMUNERATION / COMMISSION TO DIRECTORS FROM HOLDING OR SUBSIDIARY COMPANIES:</u>

Except Whole Time Directors, Independent Directors and Key Managerial Personnel, all the other directors of the Company are in receipt of remuneration from its Ultimate Foreign Holding Company. None of the Key Managerial Personnel is in receipt of remuneration / commission from the Subsidiary Company.

4. <u>AUDITORS AND REPORTS</u>

The matters related to Auditors and their Reports are as under:

a. <u>OBSERVATIONS OF STATUTORY AUDITORS ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2022:</u>

The observations made by the Statutory Auditors in their report for the financial year ended 31st March 2022 read with the explanatory notes therein are self-explanatory and therefore, do not call for any further explanation or comments from the Board under Section 134(3) of the Companies Act, 2013.

b. <u>SECRETARIAL AUDIT REPORT FOR THE YEAR ENDED 31ST MARCH, 2022:</u>

The Secretarial Audit Report, pursuant to the provisions of Section 204 read with Section 134 (3) of the Companies Act, 2013 was obtained from M/s. Rathi and Associates, Practicing Company Secretaries in Form MR-3 for the Financial Year 2021-22. The said report does not contain any observation or qualification requiring explanation or comments from the Board under Section 134(3) of the Companies Act, 2013.

The said report is disclosed under **Annexure V** and forms part of this report.

c. <u>INTERNAL AUDIT:</u>

M/s. Haribhakti & Co. LLP, Chartered Accountants, Internal Auditors of the Company have carried out audit on various back office operations of the Company. The findings of the Internal Auditors are discussed on an on-going basis in the meetings of the Board of Directors and corrective actions are taken as per the directions of the Board.

Further, pursuant to the circular NSE/INSP/ 51939 dated April 06, 2022 read with RBI order having the subject "Action against Statutory Auditors of NBFC under section 45MAA of RBI Act, 1934" dated October 12, 2021, exchanges has listed down the eligibility criteria for the Internal Auditor(s) of the Company and as per the said circular, which is effective retrospectively and the RBI order, M/s. Haribhakti & Co. LLP, Chartered Accountants, (Firm Registration No. 103523W / W100048) is not fulfilled the eligibility criteria to conduct and certify the Internal Audit Report of the Company for the half year ended March 31, 2022 with reference to the said circular and RBI order, accordingly, the Board of Directors in the Meeting dated April 28, 2022 removed M/s. Haribhakti & Co. LLP as Internal Auditor of the Company for the Financial year 2021-2022 and to fill the casual vacancy caused due to the removal of M/s. Haribhakti & Co. LLP, Chartered Accountants, (Firm Registration No. 103523W), and on receipt of eligibility certificate, requisite certificate and consent letter the Company appoints M/s. M M Nissim & CO LLP, Chartered Accountants, (Firm Registration No. 107122W/W100672) as a "Internal Auditor" of the Company pursuant to Section 138 of the Companies Act, 2013 read with rule 13 of the Companies (Accounts) Rule, 2014.

d. <u>STATUTORY AUDITORS:</u>

M/s Kalyaniwalla and Mistry LLP, Chartered Accountants, were appointed as the Statutory Auditors for a period of 5 years to hold office from the conclusion of 22nd till the conclusion of 27th Annual General Meeting (AGM) of the Company, subject to ratification of their appointment by the Members at every Annual General

Meeting of the Company.Accordingly, tenure of M/s Kalyaniwalla and Mistry LLP, Chartered Accountants (Firm Registration No. 104607W/W100166), is expiring in ensuing Annual General Meeting.

The Board has considered and recommends re-appointment of M/s. Kalyaniwalla & Mistry LLP, Chartered Accountants (Firm Registration No:104607W/W100166) as Statutory Auditors of the Company to hold office from the conclusion of 27th Annual General Meeting until the conclusion of 32nd Annual General Meeting of the Company. The Company has received consent of the M/s. Kalyaniwalla & Mistry LLP, Chartered Accountants along with certificate under Section 139 of the Act to the effect that their appointment, if made, shall be in accordance with the prescribed conditions and that they are not disqualified to act as the Auditor of the Company.

However, pursuant to the Companies (Amendment) Act, 2017 and the resolution passed in the 23rd Annual General Meeting of the Company, the members are not required to ratify the said appointment of Statutory Auditor at every Annual General Meeting.

5. <u>OTHER DISCLOSURES:</u>

Other disclosures as per provisions of Section 134 of the Act read with Companies (Accounts) Rules, 2014 are furnished as under:

a. <u>EXTRACT OF ANNUAL RETURN:</u>

Pursuant to the provisions of Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rule, 2014, a copy of Annual return shall be placed at the website of the Company. The same shall be available on the link https:// www.sharekhan.com

b. <u>CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:</u>

The particulars as required under the provisions of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 in respect of conservation of energy and technology absorption have not been furnished considering the nature of activities undertaken by the Company during the financial year under review.

The particulars as required under the provisions of Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 in respect of foreign exchange earnings and outgo etc. is furnished in **Annexure VI** which forms part of this Report.

c. <u>COMMERCIAL PAPER:</u>

During the financial year under review, pursuant to Securities and Exchange Board of India (SEBI) Circular number SEBI/HO/IMD/DF2/CIR/P/2019/104 dated October 01, 2019 mandate listing of Commercial paper for CP issuers seeking investment from Mutual fund and accordingly, the Company have issued and listed their Commercial paper pursuant to the SEBI circular number SEBI/HO/DDHS/DDHS/CIR/P/2019/115 dated October 22, 2019 and amended circular number SEBI/HO/DDHS/DDHS/ CIR/P/2019/167 dated December 24, 2019 read with relevant circulars of the Exchanges and the details of all the commercial paper listed and outstanding during the year under review are set out in the **Annexure VII.**

Further, the Company had complied with all the disclosures, declarations and undertaking to all the Regulatory and Statutory authorities including the Stock Exchanges, depositories etc., as prescribed under the aforesaid circulars.

6. <u>CORPORATE GOVERNANCE POLICY:</u>

The Company had adopted Corporate Governance Policy issued by BNP Paribas i.e. Ultimate Holding Company for BNP Paribas Group Entities including Suitability Policy ("New CG Policy") setting certain group governance standards in relation to the suitability of the Supervisory Function and the Management Function and the key missions of the Supervisory Function and in accordance with the New CG Policy, the Company, as a part of the BNP Paribas group needs to ensure that its Supervisory Function carries out the following key missions:

(i) supervision of risks;
(ii) assessment of the Supervisory Function; and
(iii) review of the governance of the Company.

During the year under review, the Board of Directors at its meeting held on September 9, 2020 adopted to a new group-wide suitability policy in respect of its Supervisory Function and Management Function ("Suitability Policy") and also approved the Corporate Governance report for F.Y 2020-2021 for its submission to the BNP Paribas group.

7. <u>SECRETARIAL STANDARDS COMPLIANCE:</u>

The Directors state that applicable Secretarial Standards i.e. SS-1 & SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively, issued by Institute of Company Secretaries of India (ICSI) dated October 1, 2017 have been duly followed by the Company.

8. **GENERAL:**

Your Directors state that no disclosures or reporting is required in respect of the following items as there were no transactions on these items during the year under the review:

a) Details relating to deposits covered under Chapter V of the Act;
b) Issuance of equity shares with differential rights as to dividend, voting or otherwise as per the provisions of Section 43 (a)(ii) of the Companies Act read with Rule 4(4) of the Companies (Share Capital and Debentures) Rules, 2014 and under Employees Stock Option Scheme as per provisions of Section 62 (1)(b) of the Act read with Rule 12 (9) of the Companies (Share capital and Debentures) Rules, 2014;
c) Issuance of any sweat equity shares during the year under review and hence no information as per the provision of Section 54 (1)(d) of the Act read with Rule 8(13) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished;
d) Instances of non-exercising of voting rights in respect of shares purchased directly by employees under a scheme pursuant to Section 67(3) of the Companies Act, 2013;
e) Revision of the financial statements during the year under review;
f) Maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, is not required for the Company;
g) Frauds reported as per Section 143 (12) of the Companies Act, 2013.
h) During the period under review, the company has not taken any loan therefore no details of difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof.
i) No application was made nor any proceeding is pending against the company under the Insolvency and Bankruptcy Code, 2018 (31 of 2016) along with their status as at the end of the financial year;

Further, the Board of Directors confirms that, during the financial year under review: -

No significant or material orders were passed by Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

Your Directors further state that pursuant to the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 an Internal Complaints Committee (ICC) has been constituted by the Company and no case pertaining to sexual harassment at workplace has been reported to company during F.Y. 2021-22.

Your Directors state that with the recent declaration of COVID-19 as a pandemic by the World Health Organization (WHO), a Work from Home strategy has been developed and deployed at the Sharekhan Group level (Holding Company) to evaluate and prepare itself to respond to this emergency. The overall unlock plan is in line with the Group principles followed by other BNP Paribas Group entities in India.

9. **ACKNOWLEDGEMENTS AND APPRECIATION:**

We thank our customers, vendors, investors and bankers for their consistent support and encouragement to the Company during the year. We place on record our appreciation of contribution made by our employees at all levels. Our consistent growth was made possible by their hard work, solidarity, cooperation and support.

We thank the Government of India, particularly the Ministry of Finance, the Ministry of Corporate Affairs, the Income Tax Department, the Reserve Bank of India, Depositories and all the exchanges where the Company is having a membership, the State Governments and other government agencies for their support and look forward to their continued support in the future.

For and on behalf of the Board of Directors of
SHAREKHAN LIMITED

Sd/-	***Sd/-***
Jaideep Arora	**Stefan Groening**
Whole Time Director & CEO	***Whole Time Director & COO***
DIN: 00056252	**DIN: 07657587**

Date: May 24, 2022
Place: Mumbai

Registered Office
The Ruby, 18th Floor, 29 Senapati Bapat Marg,
Dadar (West), Mumbai-400028
CIN: - U99999MH1995PLC087498
Tel No.: - 022-6115 0000 Fax No.: 022-6748 1899
Mail: - sk.investors@sharekhan.com;
Website: www.sharekhan.com

ANNEXURE I

PERFORMANCE OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

(Information in respect of each subsidiary~~/ Associate Companies/ Joint Venture~~ Companies to be presented with amounts in Rupees)

(`Rs. in thousands)

1	**Name of the subsidiary Companies**	**Sharekhan Commodities Private Limited**
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Same as of Holding Company
3	Reporting currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries.	NA
4	Share capital	11,360
5	Reserves and Surplus	15,453
6	Total Assets	46,414
7	Total Liabilities	46,414
8	Investments	--
8	Turnover	2,592
10	Profit before taxation	727
11	Provision for taxation	531
12	Profit after Taxation **(A)**	196
13	Other Comprehensive Income **(B)**	--
14	Total Comprehensive Income for the Year **(A+B)**	196
15	Proposed Dividend	NIL
16	% of shareholding	100%

1	**Name of the subsidiary Companies**	**Wealthtiger Investment Advisors Private Limited**
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Same as of Holding Company
3	Reporting currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries.	NA
4	Share capital	5,000
5	Reserves and Surplus	276
6	Total Assets	5,601
7	Total Liabilities	5,601
8	Investments	--
9	Turnover	930
10	Profit before taxation	466
11	Provision for taxation	392
12	Profit after Taxation **(A)**	74
13	Other Comprehensive Income **(B)**	--
14	Total Comprehensive Income for the Year **(A+B)**	74
15	Proposed Dividend	NIL

16	% of shareholding	100%

1	**Name of the subsidiary Companies**	**Sharekhan BNP Paribas Financial Services Limited**
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Same as of Holding Company
3	Reporting currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries.	NA
4	Share capital	41,86,000
5	Reserves and Surplus	13,35,692
6	Total Assets	1,23,57,380
7	Total Liabilities	1,23,57,380
8	Investments	2,500
9	Turnover	14,06,990
10	Profit before taxation	8,36,324
11	Provision for taxation	1,98,135
12	Profit after Taxation **(A)**	6,38,189
13	Other Comprehensive Income **(B)**	254
14	Total Comprehensive Income for the Year **(A+B)**	6,37,945
15	Proposed Dividend	NIL
16	% of shareholding	100%

1	**Name of the subsidiary Companies**	**Espresso Financial Services Private Limited** *(formerly known as Sharekhan Comtrade Private Limited)*
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Same as of Holding Company
3	Reporting currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries.	NA
4	Share capital	5,78,171
5	Reserves and Surplus	-3,10,503
6	Total Assets	6,77,270
7	Total Liabilities	6,77,270
8	Investments	--
9	Turnover	77,117
10	Profit/(Loss) before taxation	(2,25,145)
11	Provision for taxation	(56,635)
12	Profit /(Loss)after Taxation **(A)**	(1,68,510)
13	Other Comprehensive Income **(B)**	(523)
14	Total Comprehensive Income for the Year **(A+B)**	(1,69,033)
15	Proposed Dividend	NIL
16	% of shareholding	100%

1	**Name of the subsidiary Companies**	**Sharekhan Consultants Private Limited**
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Same as of Holding Company
3	Reporting currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries.	NA
4	Share capital	2,500
5	Reserves and Surplus	13,033

6	Total Assets	16,013
7	Total Liabilities	16,013
8	Investments	--
9	Turnover	1,704
10	Profit before taxation	1,099
11	Provision for taxation	277
12	Profit after Taxation **(A)**	822
13	Other Comprehensive Income **(B)**	--
14	Total Comprehensive Income for the Year **(A+B)**	822
15	Proposed Dividend	NIL
16	% of shareholding	100% through Sharekhan BNP Paribas Financial Services Limited

1	**Name of the subsidiary Companies**	**Sharekhan.com India Private Limited**
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Same as of Holding Company
3	Reporting currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries.	NA
4	Share capital	50,000
5	Reserves and Surplus	(54,451)
6	Total Assets	1,29,183
7	Total Liabilities	1,29,183
8	Investments	--
9	Turnover	2,63,012
10	Profit /(Loss)before taxation	(9,538)
11	Provision for taxation	3,100
12	Profit//(Loss) after taxation **(A)**	(12,638)
13	Other Comprehensive Income **(B)**	240
14	Total Comprehensive Income for the Year **(A+B)**	(12,398)
15	Proposed Dividend	NIL
16	% of shareholding	100% through Sharekhan BNP Paribas Financial Services Limited

During the financial year under review, the Company did not incorporate any subsidiary or joint-venture or associate company.

For and on behalf of the Board of Directors of
SHAREKHAN LIMITED

Sd/-	***Sd/-***
Jaideep Arora	**Stefan Groening**
Whole Time Director & CEO	***Whole Time Director & COO***
DIN: 00056252	**DIN: 07657587**

Date: May 24, 2022
Place: Mumbai

Registered Office
The Ruby, 18th Floor, 29 Senapati Bapat Marg,
Dadar (West), Mumbai-400028
CIN: - U99999MH1995PLC087498
Tel No.: - 022-67502000 **Fax:** 022-24327343
Mail: - sk.investors@sharekhan.com;
Website: www.sharekhan.com

ANNEXURE II

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details for Loan:

(Rs. In millions)

Name of the party	**Nature & Purpose of transactions**	**Amount at the beginning of the year**	**Loan given during the year**	**Loan repaid during the year**	**Balance at the end of the year**
Sharekhan BNP Paribas Financial Services Limited	Inter-corporate Deposit	NIL	18,673,632,748	18,673,632,748	Nil
Sharekhan BNP Paribas Financial Services Limited	Inter-corporate Deposit (received)	11,913,685	17,424,479,625	17,427,779,581	8,613,729
Espresso Financial Services Private Limited *(formerly known as Sharekhan Comtrade Private Limited)*	Inter-corporate Deposit	25,594,816	628,084,967	623,666,465	30,013,318

Details for Investment:

(Rs. In millions)

Name of the party	**Nature & Purpose of transactions**	**Amount at the beginning of the year**	**Transaction during the year**	**Balance at the end of the year**
Sharekhan Commodities Private Limited	Investment	20	Nil	20
Sharekhan BNP Paribas Financial Services Limited	Investment	4,186	Nil	4,186
Espresso Financial Services Private Limited *(formerly known as Sharekhan Comtrade Private Limited)*	Investment	607	Nil	607
Wealthtiger Investment Advisors Private Limited	Investment	5	Nil	5

During the period under review, the Company had not made any investment or gave any Corporate Guarantee to party under Section 186 of the Companies Act, 2013 and Rules made there under except its clients and the subsidiary company.

For and on behalf of the Board of Directors of
SHAREKHAN LIMITED

Sd/-
Jaideep Arora
Whole Time Director & CEO
DIN: 00056252

Sd/-
Stefan Groening
Whole Time Director & COO
DIN: 07657587

Date: May 24, 2022
Place: Mumbai

Registered Office
The Ruby, 18th Floor, 29 Senapati Bapat Marg,
Dadar (West), Mumbai-400028
CIN: - U99999MH1995PLC087498
Tel No.: - 022-67502000 **Fax:** 022-24327343
Mail: - sk.investors@sharekhan.com;
Website: www.sharekhan.com

ANNEXURE III
TO THE DIRECTOR'S REPORT
SHAREKHAN LIMITED
CSR ACTIVITIES FOR THE PERIOD FY 2021-22

<table>
<tr><th>Sr. no.</th><th>Particulars</th><th>Details</th></tr>
<tr><td>1</td><td>Brief Outline of CSR Policy</td><td>Introduction:
For the BNP Paribas Group, implementing its Corporate Social Responsibility (CSR) policy means financing the real economy while striving to protect the environment and fight against exclusion. Accordingly, the main program areas identified by Sharekhan Limited which are in line with the activities listed in schedule VII of Section 135 of the Companies Act, 2013 are as follows:
Education
Gender equality and women empowerment
Art & culture
Environment
Healthcare
Rural development; and
Contribution to the PM's relief fund or any other initiative that may be authorized by the Board of Directors.

The CSR policy also defines the role and responsibilities of the members of the CSR Committee and its composition. The Committee is responsible for the preparation and implementation of the CSR Policy, review and approval of budgets, developing a monitoring framework for implementation and the preparation of the Annual Report.

Projects or programs undertaken under CSR Policy:
Supporting BNP Paribas India Foundation's group CSR programme</td></tr>
<tr><td>2</td><td>Composition of the CSR Committee</td><td>
<table>
<tr><th>S.No</th><th>Name</th><th>Representation in CSR Committee</th><th>Number of meetings of CSR Committee held during the year</th><th>Number of meetings of CSR Committee attended during the year</th></tr>
<tr><td>1</td><td>Jaideep Arora Director</td><td>Committee Member</td><td>2</td><td>1</td></tr>
<tr><td>2</td><td>Ambareesh Murty</td><td>Committee Member</td><td>2</td><td>2</td></tr>
<tr><td>3</td><td>*Shankar Vailaya- (upto July 03, 2021)</td><td>Committee Member</td><td>1</td><td>1</td></tr>
<tr><td>3</td><td>Franciska Decuypere Director</td><td>Committee Member</td><td>2</td><td>2</td></tr>
<tr><td>4</td><td>*Jean Christophe Marie Gougeon (w.e.f. July 03, 2021)</td><td>Committee Member</td><td>1</td><td>1</td></tr>
<tr><td>5</td><td>Shankar Ramkrishnan</td><td>Permanent Invitee</td><td>2</td><td>2</td></tr>
</table>
*Mr. Shankar Vailaya resigned as Whole Time Director of the Company through his letter dated June 23, 2021 which was subject to approval of Exchanges dated 20.07.2021 and vacated the said committee, subsequently Mr. Jean Christophe, Whole Time Director was appointed as member of the Committee w.e.f. July 3, 2021.</td></tr>
<tr><td>3</td><td>Web-link where</td><td>https://www.sharekhan.com/MediaGalary/downloads/BNPPSharekhanCSRPoli</td></tr>
</table>

Sr. no.	Particulars	Details
	Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company	cy.pdf
4	**Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (CSR) Rules, 2014, if applicable**	Not applicable as CSR spend requirement does not exceed INR 10 crore.
5	**Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (CSR Policy) Rules, 2014 and amount required for set off for the financial year, if any**	Nil
6	**Average net profit for last 3 years**	Rs. 1,245,553,249/-
7	**Details of amount to be spent on CSR activities for the FY 2020-21**	Two per cent of the average net-profit of the company as per section 135(5)- **Rs. 24,911,065/-** Surplus arising out of the CSR projects or programme or activities of the previous financial years- **NIL** Amount required to be set off for the financial year, if any- NIL Total CSR obligation for the financial year (a + b- c)- **Rs. 24,911,065/-.**

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs. crore)	Amount required to be setoff for the financial year, if any (in Rs. crore)

8.

a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in Rs.)	**Amount Unspent (in Rs.)**				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		**Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).**		
	Amount	**Date of transfer**	**Name of the Fund**	**Amount**	**Date of transfer**
Rs. 24,911,065	NA	NA	NA	NA	NA

b) Details of CSR amount spent against ongoing projects for the financial year:

-1	-2	-3	-4	-5		-6	-7	-8	-9	-10	-11	
Sl. No	**Name of the Project**	**Item from the list of activities in Schedule VII to the Act.**	**Local area (Yes/No)**	**Location of the project**		**Project duration**	**Amount allocated for the project (in INR)**	**Amount spent in the current financial Year (in INR)**	**Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs. crore)**	**Mode of Implementation - Direct (Yes/No)**	**Mode of Implementation - Through Implementing Agency**	
				State.	**District.**						**Name**	**CSR Registration number.**
1	BNP Paribas' group CSR Programme	Education, Art & Culture, Environment and Disaster Relief	Yes	**Pan India -** Maharashtra – Mumbai, Pune Tamil Nadu – Chennai, Delhi West Bengal - Kolkata Madhya Pradesh Karnataka		April 2021 to March 2024	24,911,065	24,911,065	0	No	BNP Paribas India Foundation	CSR00009221
	TOTAL						**24,911,065**	**24,911,065**	**0**			

c) Details of CSR amount spent against other than ongoing projects for the financial year: None

-1	-2	-3	-4	-5		-6	-7	-8	
Sl. No.	**Name of the Project**	**Item from the list of activities in Schedule VII to the Act**	**Local area (Yes/No)**	**Location of the project**		**Amount spent for the project (in INR)**	**Mode of implementation - Direct (Yes/No)**	**Mode of implementation - Through implementing agency**	
				State.	**District.**			**Name**	**CSR Registration number**
	TOTAL								

d) Amount spent in Administrative Overheads – Nil

e) Amount spent on Impact Assessment, if applicable: Not applicable

f) **Total amount spent for the Financial Year-** Rs. 24,911,065

9.

a) Details of Unspent CSR amount for the preceding three financial years:

Sr. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in INR)	Amount spent in the reporting Financial Year (in INR).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial year (in INR)
				Name of the Fund	Amount (in Rs).	Date of transfer.	
-	-	-	-	-	-	-	-

b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Not applicable

Sr. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in INR).	Amount spent on the project in the reporting Financial Year (in Rs).	Cumulative amount spent at the end of reporting Financial Year. (in INR)	Status of the project - Completed /Ongoing

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

(a) Date of creation or acquisition of the capital asset(s).

(b) Amount of CSR spent for creation or acquisition of capital asset.

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

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

During the year, the Company has spent the entire 2% of the average net profit of the last three years

For and on behalf of the Board of Directors of
SHAREKHAN LIMITED

Sd/- **Jaideep Arora** (Committee Member)	***Sd/-*** **Jean Christophe Marie Gougeon** (Committee Member)

Date: May 24, 2022
Place: Mumbai

<u>Registered Office</u>
The Ruby, 18th Floor, 29 Senapati Bapat Marg,
Dadar (West), Mumbai-400028
CIN: - U99999MH1995PLC087498
Tel No.: - 022-67502000 **Fax:** 022-24327343
Mail: - sk.investors@sharekhan.com;
Website: www.sharekhan.com

ANNEXURE IV

STATEMENT ON MANNER OF EVALUATION OF BOARD OF DIRECTORS, COMMITTEE AND INDIVIDUAL DIRECTORS:

One of the key functions of the Board is to monitor and review the board evaluation framework. The Board works with the Nomination and Remuneration Committee to lay down the evaluation criteria for the performance of executive/non-executive/independent directors through a peer-evaluation. The key part of the process of reviewing the functioning and effectiveness of the Board dynamics and relationships, information flow, decision making of the directors, involvement in the Board proceedings and proceedings of the other committee meetings, relationship to stakeholders, company performance, company strategy, and the effectiveness of the whole board and its various committees.

In Order to comply with this Act, the Board evaluated its own performance and that of its committees, Individual directors and Independent Directors in its Board meeting dated February 10, 2022 based on the recommendations of Nomination and Remuneration Committee.

The Company have an optimum combination of executive as well as non – executive director(s) with 4 (Four) director being executive director, 2 (Four) director(s) being nonexecutive director(s) and rest 2 (Two) being Independent Director(s) out of total 9 (Nine) Board of Directors of the Company. The Board of Directors has various statutory committees constituted as per the various provisions of Companies Act, 2013 and which carry out in depth analysis of any issue as referred to them and further note that, the executive director oversees the day to day functioning of the Company while the non-executive (non-independent) directors and Independent Directors are acting as "Guide" to the Board of the Company.

The Board of Directors with their expertise in the different aspects of the industry as well as their countless experiences ensures that the Company is successful in all its ventures. The Independent Directors ensure that proper Corporate Governance practices are well imbibed within the Company and thereby create an environment of transparency which promotes investors' confidence.

During the Financial year under review, Mr. Shankar Vailaya (DIN: - 00090509) and Mr. Alain Pascal Papiasse (DIN: - 07672704) has resigned as Director(s) from the Board of the Company with effect from July 20, 2021 and September 07, 2021, respectively and Mr. Jean Philippe Huguet (DIN: - 07539502) and Mr. Aymar De Liedekerke Beaufort (DIN: - 09239176), has been appointed as Directors on the Board of the Company, since November 8, 2021 and November 11, 2021, respectively.

Considering all the resignation / vacation and appointment the present composition of the Board of directors as given below: -

Sr. No.	Name	Designation
1	Mr. Ambareesh Murty	Independent Director
2	Ms. Franciska Decuypere	Non-executive Director
3	Ms. Gowri Thyagarajan (up to February 16, 2022)	Independent Director
4	Mr. Hugues Maisonnier	Non-executive Director
5	Mr. Jaideep Arora	Whole Time Director & CEO
6	Mr. Jean Christophe Gougeon	Whole Time Director
7	Ms. Parminder Varma (w.e.f. March 25, 2022)	Whole Time Director
8	Mr. Stefan Groening	Whole Time Director & COO
9	Mr. Jean Philippe Huguet *(w.e.f. November 8, 2022)*	Non-Executive Director
10	Mr. Aymar De Liedekerke Beaufort (*w.e.f. November 11, 2022)*	Non-Executive Director
11	Dr. Santanu Paul (w.e.f. April 28, 2022)	Independent Director

For and on behalf of the Board of Directors of
SHAREKHAN LIMITED

Sd/-
Jaideep Arora
Whole Time Director & CEO
DIN: 00056252

Sd/-
Stefan Groening
Whole Time Director & COO
DIN: 07657587

Date: May 24, 2022
Place: Mumbai

Registered Office
The Ruby, 18th Floor, 29 Senapati Bapat Marg,
Dadar (West), Mumbai-400028
CIN: - U99999MH1995PLC087498
Tel No.: - 022-67502000 **Fax:** 022-24327343
Mail: - sk.investors@sharekhan.com;
Website: www.sharekhan.com

ANNEXURE V

SECRETARIAL AUDIT REPORT

[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]

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021

To,
The Members,
Sharekhan Limited
The Ruby, 18th Floor,
29 Senapati Bapat Marg
Dadar (West), Mumbai 400 028

Dear Sirs,

We have conducted online verification & examination of records, as facilitated by the Company, for purpose of secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate governance practice by **Sharekhan Limited** (hereinafter called "the Company") and issuing this report. The 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. Accordingly, based on our verification of the Company's Books, Papers, Minutes Books, Forms and Returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the financial year ended 31st March, 2022, complied withthe 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:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company, for the financial year ended on 31st March, 2022, according to the provisions of:
   (i) The Companies Act, 2013 (the Act) and the rules made there under to the extent applicable;
   (ii) The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder;
   (iii) The Securities Contracts (Regulations) Act, 1956 ('SCRA') and the rules made 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 (Stock-Brokers & Sub-Brokers) Regulations, 1992;
      b) The Securities and Exchange Board of India (Portfolio Managers) Regulations,1993;
      c) The Securities and Exchange Board of India (Research Analyst) Regulations,2014;
      d) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended and to the extent applicable
      e) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; to the extent of applicable provisions for company which has listed its commercial papers; and
      f) The relevant rules and regulations, circulars and notifications as issued by SEBI, exchanges and depositories.
2. Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were not applicable to the Company under the financial year under report:
   i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
   ii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
   iii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
   iv. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
   v. 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;
   vi. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
   vii. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
3. Provisions of the Foreign Exchange Management Act, 1999 and the rules and regulations made there under

to the extent of External Commercial Borrowings and Overseas Direct Investment were not attracted to the Company under the financial year under report.

4. We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test- check basis, the Company has complied with the following laws specifically applicable to the Company:
   i. Arbitration and Conciliation Act, 1996;
   ii. Rules, Regulations and Bye-laws of the Securities and Exchange Board of India and all the Stock Exchanges with whom the Company has executed Agreement with;
   iii. Rules, Regulations and Bye-laws of Central Depository Services (India) Limited an d National Securities Depository Limited;
   iv. Indian Contract Act, 1872;
   v. The Indian Stamp Act, 1899;
   vi. The Negotiable Instrument Act, 1996;
   vii. The Goods and Services Tax Act, 2017;
   viii. Rules, Regulations and Bye-laws applicable for Intellectual Property Rights of the Company; and
   ix. Rules, Regulations and Bye-laws applicable for taxation matters of the Company;
   x. The Insurance Regulatory and Development Authority of India (Registration of Corporate Agents) Regulations, 2015;

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

(i) Secretarial Standards – 1 and 2 issued by The Institute of Company Secretaries of India under the provisions of Companies Act, 2013.

(ii) The Listing Agreements entered into by the Company with BSE Limited for listing of Commercial Papers.

During the financial year under report, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Women Director and Independent Director. The changes in the composition of the Board of Directors that took place during the year under report were carried out in compliance with the provisions of the Act. However, vacancy created due to completion of term of Ms. Gowri Thyagarajan (DIN: 07029599), Independent Director, on 16th February, 2022 was filled up with the appointment of Dr. Santanu Paul (DIN: 02039043) as an Independent Director for a term of five (5) years with effect from 28th April, 2022.

Except in case meeting convened at a shorter notice, adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

None of the members have communicated dissenting views, in the matters / agenda proposed from time to time for consideration of the Board and its Committees thereof, during the financial year under the report, hence were not required to be captured and recorded as part of the minutes.

We report that there are adequate systems and processes 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 following event(s)/action(s) had a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to hereinabove:

1. The Board of Directors in its meeting held on 7th October, 2021 and the shareholders in their Extra-Ordinary General Meeting held on 10th January, 2022, respectively, approved the increase in borrowing limit of the Company pursuant to Section 180(1)(c) of the Companies Act, 2013 upto a maximum limit of Rs. 3000,00,00,000/- (Rupees Three Thousand Crores only).
2. The Board of Directors in its meeting held on 7th October, 2021 and the shareholders in their Extra-Ordinary General Meeting held on 10th January, 2022, respectively, approved the alteration in Clause III (A) of the Main Objects Clause of Memorandum of Association of the Company.

For RATHI & ASSOCIATES
COMPANY SECRETARIES

Sd/-
HIMANSHU S. KAMDAR
PARTNER

DATE: MAY 24, 2022

PLACE: MUMBAI **FCS: 5171**
UDIN: F005171D000373671 **C.P. NO: 3030**
PEER REVIEW CER. NO. 668/2020

Note: This report should be read with our letter of even date which is annexed as Annexure and formsan integral part of this report.

ANNEXURE-I

To,
The Members of Sharekhan Limited
The Ruby, 18th Floor,
29 Senapati Bapat Marg
Dadar (West), Mumbai 400 028

Our report of even date is to be read along with this letter.

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

For RATHI & ASSOCIATES
COMPANY SECRETARIES

Sd/-
HIMANSHU S. KAMDAR
PARTNER
FCS: 5171
C.P. NO: 3030

DATE: MAY 24, 2022
PLACE: MUMBAI
UDIN: F005171D000373671
PEER REVIEW CER. NO. 668/2020

ANNEXURE VI

DISCLOSURE PURSUANT TO SECTION 134 (3) (m) OF THE COMPANIES ACT 2013 READ WITH RULE 8 OF THE COMPANIES (ACCOUNTS), RULES 2014

(A) Foreign exchange earnings and Outgo:

(Rs. In millions)

	1st April, 2020 to 31st March, 2022 ***[Current F.Y.]***	1st April, 2019 to 31st March, 2021 *[Previous F.Y.]*
Actual Foreign Exchange earnings	**0**	0
Actual Foreign Exchange outgo	**127.96**	40.78

For and on behalf of the Board of Directors of
SHAREKHAN LIMITED

Sd/-
Jaideep Arora
Whole Time Director & CEO

Sd/-
Stefan Groening
Whole Time Director & COO

DIN: 00056252 **DIN: 07657587**

Date: May 24, 2022
Place: Mumbai

Registered Office
The Ruby, 18th Floor, 29 Senapati Bapat Marg,
Dadar (West), Mumbai-400028
CIN: - U99999MH1995PLC087498
Tel No.: - 022-67502000 **Fax:** 022-24327343
Mail: - sk.investors@sharekhan.com;
Website: www.sharekhan.com

ANNEXURE VII

DISCLOSURE AND LIST OF COMMERCIAL PAPER AS ON MARCH 31, 2022

ISIN	ISSUE DATE	AMOUNT (Crore)	MATURITY DATE	AMOUNT O/S (Crore)	CRA	RATING
INE211H14260	05.01.2022	Rs. 125 Cr	06.04.2022	Rs. 125 Cr	CARE & ICRA	A1+
INE211H14286	17.01.2022	Rs. 400 Cr	18.04.2022	Rs. 400 Cr	CARE & ICRA	A1+
INE211H14294	04.02.2022	Rs. 210 Cr	06.05.2022	Rs. 210 Cr	CARE & ICRA	A1+
INE211H14278	05.01.2022	Rs. 75 Cr	23.05.2022	Rs. 75 Cr	CARE & ICRA	A1+
INE211H14302	09.03.2022	Rs. 175 Cr	08.06.2022	Rs. 175 Cr	CARE & ICRA	A1+

For and on behalf of the Board of Directors of
SHAREKHAN LIMITED

Sd/-
Jaideep Arora
Whole Time Director & CEO
DIN: 00056252

Sd/-
Stefan Groening
Whole Time Director & COO
DIN: 07657587

Date: May 24, 2022
Place: Mumbai

Registered Office
The Ruby, 18th Floor, 29 Senapati Bapat Marg,
Dadar (West), Mumbai-400028
CIN: - U99999MH1995PLC087498
Tel No.: - 022-67502000 **Fax:** 022-24327343
Mail: - sk.investors@sharekhan.com;
Website: www.sharekhan.com

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
SHAREKHAN LIMITED

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of **Sharekhan Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act 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, 2022, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Emphasis of Matter

We draw attention to Note 17 to the standalone financial statements relating to compounding application submitted by the Company to Reserve Bank of India ('RBI') as directed by and pursuant to post facto approval for certain non-compliances, by foreign Investment Promotion Board ('FIPB'). The outcome of RBI's decision is pending and currently unascertainable.

Our opinion is not modified in respect of the above matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Description of Key Audit Matter and how the matter was addressed in our audit

Information Technology (IT) - IT systems and controls

The Company's key financial accounting and reporting processes are dependent on the automated controls in information systems, such that there exists a risk that gaps in the IT control environment could impact the financial accounting and reporting significantly. The Company uses Hercules and Eternity systems as the General Ledger for overall financial reporting which is interfaced with other web-based applications and IT systems which process transactions, which impacts significant account balances. We have identified 'IT systems and controls' as Key audit matter since for revenue recognition (brokerage and interest income), the Company relies on automated processes and controls for recording of revenue.

We have focused on IT General Controls (ITGC) (i.e. access management controls, change management controls, logical security controls, back-up and continuity controls and IT operations control) and IT application controls (ITAC) (i.e. controls on system reconciliation, system generated reports and system application controls over key financial accounting and reporting systems).

Our audit procedures to assess the effectiveness of IT systems included the following:

- Obtaining an understanding of entity's IT environment and key changes if any during the audit period that may be relevant to the audit.
- Performed walkthroughs to evaluate the design and implementation of key automated controls. Involved our IT specialist to test the effectiveness of identified IT automated controls and IT systems. IT specialist tested relevant key controls operating over IT in relation to financial accounting and reporting systems, including IT general controls.
- IT specialists tested design and operating effectiveness of key controls over access management which includes granting access right, new user creation, removal of user rights and other preventive controls.
- For a selected group of key controls over financial and reporting system, IT specialists independently performed procedures. The procedures were to determine that these controls remained unchanged during the year or were changed following the standard change management process.
- Other independently assessed areas included password policies, security configuration, system generated reports and application interface controls.
- Evaluating the design, implementation and operating effectiveness of identified significant accounts related IT automated controls which are relevant for accuracy of system logic and consistency of data transmission.

Based on procedures performed above, wherever required, we extended our audit procedures over other IT application controls, periodic reconciliations, manual approval processes, tests on identified key changes and additional substantive testing.

Information Other than the Standalone 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 Directors report but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, 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.

Management's Responsibility for the Standalone Ind AS 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 standalone 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 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone Ind AS financial statements.

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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

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

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

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in Annexure 'A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

(c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and the Statement of Cash Flow dealt with by this report are in agreement with the books of account.

(d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of section 164(2) of the Act.

(f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure 'B'. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to the financial statements.

(g) With respect to 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 directors 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, we further report that:

   i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 5 to the standalone financial statements.

   ii. The Company did not have any Long-Term Contracts including derivative contracts for which there were any material foreseeable losses.

   iii. There have been no delays in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

   iv. (a) The Management has represented that, to the best of it's knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

   (b) The Management has represented, that, to the best of it's knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

   (c) Based on audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

   v. As stated in Note 23 to the standalone financial statements

      (a) The interim dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with Section 123 of the Companies Act, 2013 to the extent it applies to payment of dividend.

      (b) The Board of Directors of the Company have not declared or paid final dividend for the year.

For KALYANIWALLA & MISTRY LLP
Chartered Accountants
Firm Registration No: 104607W / W100166

Sd/-
Roshni R. Marfatia
Partner
Membership No: 106548
UDIN: 22106548AJNRCY3045
Place : Mumbai
Date : May 24, 2022

Annexure 'A' to the Independent Auditor's Report

Referred to in Para 1 under 'Report on Other Legal and Regulatory Requirements' of our Report to the members of the Company on the standalone financial statements for the year ended March 31, 2022:

Statement on Matters Specified in paragraphs 3 and 4 of the Companies (Auditors Report) Order, 2020

1. (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and relevant details of right-of-use assets.

   (B) The Company has maintained proper records showing full particulars of intangible assets.

   (b) The Company has a program of physical verification of property, plant and equipment and right-of-use assets so as to cover all the assets once every three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain property, plant and equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

   (c) Based on our examination of the registered sale deeds provided to us, we report that, the title deeds of all other immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in the financial statements included under property, plant and equipment are held in the name of the Company as at the balance sheet date.

   (d) The Company has not revalued any of its property, plant and equipment (including right-of-use assets) and intangible assets during the year.

   (e) Based on the information and explanations provided to us and our verification of the books and records of the Company no proceedings have been initiated during the year or are pending against the Company as at 31 March 2022 for holding any benami property under the Prohibition of Benami Transactions Act, 1988 (as amended in 2016) and rules made thereunder.

2. (a) The Company's business does not involve any inventories and hence reporting under clause 3(ii)(a) of the Order is not applicable.

   (b) As disclosed in note 3.14 to the financial statements, the Company has been sanctioned working capital limits in excess of INR 5 crore, in aggregate, at a given point in time during the year, from banks on the basis of security of current assets. The quarterly returns or statements filed by the Company with such banks are in agreement with the books of accounts of the Company. No working capital limits have been sanctioned from financial institutions at any given point in time during the year.

3. The Company has not provided any guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. The Company has made investments in mutual fund schemes and has granted secured and unsecured loans during the year.

   (a) (A) The Company has not provided any advances in the nature of loans or stood guarantee or provided security to any of its subsidiaries. The Company has provided unsecured loans aggregating to INR 19,302 million during the year to its subsidiaries and the balance outstanding as at the balance sheet date is INR 30 million. The Company does not have any joint ventures or associates.

   (B) The Company has given secured loans to clients as part of their exchange margin funding facility of INR 106,373 million during the year and the outstanding balance of INR 9,098 million. The Company has also given unsecured loans to staff and retainers aggregating INR 4 million during the year, and balance outstanding at the balance sheet date with respect of such unsecured loans is INR 3 million.

   (b) In our opinion, the investments made by the Company and the terms and conditions of the grant of loans, during the year are, prima facie, not prejudicial to the Company's interest, except for subsidized interest rates given on staff loans.

   (c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are generally regular as per stipulation.

   (d) There is no overdue amount for more than ninety days in case of loans granted by the Company.

   (e) No loans granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.

   (f) The Company has granted loans repayable on demand to its related parties as defined in clause (76) of section 2 of the Companies Act, 2013 aggregating to INR 19,302 million and the percentage to the total loan granted during the year is 15.36%. The Company has not granted advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment to its promoters or its related parties as defined in clause (76) of section 2 of the Companies Act, 2013.

4. The Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of loans granted and investments made. The Company has not provided any guarantees or security.

5. The Company has not accepted any deposits from the public as per the directives issued by Reserve Bank of India and the provisions of sections 73 to 76 or any other applicable provisions of the Act and the rules framed there under. Hence, reporting under clause 3 (v) of the Order is not applicable.

6. The Central Government has not prescribed the maintenance of cost records under section 148 (1) of the Companies Act, 2013 for any of the services rendered by the Company. Hence, reporting under clause 3 (vi) of the Order is not applicable.

7. (a) The Company is generally regular in depositing undisputed statutory dues, including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues applicable to it with the appropriate authorities, except provident fund and profession tax wherein certain irregularities have been observed. There are no undisputed dues which have remained outstanding as at the end of the financial year, for a period of more than six months from the date they became payable.

   (b) There are no statutory dues of Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues applicable to it which have not been deposited on account of any disputes except the following.

Name of the Statute	Nature of the Dues	Amount (INR in million)	Period to which the amount relates to	Forum where dispute is pending
Income Tax Act, 1961	Income Tax Demand	5	AY 2017-18	CIT (Appeals)
Income Tax Act, 1961	Income Tax Demand	6	AY 2018-19	CIT (Appeals)
Income Tax Act, 1961	Income Tax Demand	1	AY 2020-21	Assessing Officer

8. There are no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
9. (a) The Company has not defaulted in repayment of loans or other borrowings or in payment of interest thereon to any lenders during the year.
   (b) The Company has not been declared a wilful defaulter by any bank or financial institution or government or any government authority.
   (c) The Company has not taken any term loans and hence, reporting under clause 3 (ix)(c) of the Order is not applicable.
   (d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes during the year by the Company.
   (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries during the year. The Company does not have any associates or joint ventures.
   (f) The Company has not raised any loans during the year on pledge of securities held in subsidiaries, joint ventures or associate companies and hence reporting on clause 3 (ix)(f) of the Order is not applicable.
10. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and hence reporting under clause 3 (x)(a) of the Order is not applicable to the Company.
    (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting on clause 3 (x)(b) of the Order is not applicable.
11. (a) No fraud by the Company or no fraud on the Company has been noticed or reported during the year.
    (b) No report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed in form ADT-4 as prescribed under rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of the audit report.
    (c) We have taken into consideration the whistle-blower complaints received by the Company during the year while determining the nature, timing and extent of audit procedures.
12. The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.
13. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
14. (a) In our opinion and based on our examination, the Company has an adequate internal audit system commensurate with the size and nature of business.
    (b) Internal audit is carried out for key areas on a cyclical basis. All the internal audit reports provided by the management have been considered by us. No internal audit report has been issued covering the period after December 2021.
15. In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of Section 192 of the Companies Act, 2013 is not applicable to the Company.
16. (a) The provisions of Section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) is not applicable to the Company. Hence reporting under clause 3 (xvi)(a), (b) and (c) of the Order is not applicable.
    (b) The Company has not conducted any Non-Banking Financial or Housing Financial activities without obtaining a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
    (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Hence reporting under clause 3 (xvi) (c) of the Order is not applicable.
    (d) According to the information and explanation given to us by the management, the Group has two core investment companies which is not required to be registered with the Reserve Bank of India.
17. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
18. There has been no resignation of statutory auditors of the Company during the year.

19. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

20 (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects, requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Hence, reporting under clause 3(xx)(a) of the Order is not applicable for the year.

(b) There are no amount remaining unspent on ongoing projects by the Company, hence, reporting under clause 3 (xx) (b) of the Order is not applicable.

For KALYANIWALLA & MISTRY LLP
Chartered Accountants
Firm Registration No: 104607W / W100166

Sd/-
Roshni R. Marfatia
Partner
Membership No: 106548
UDIN: 22106548AJNRCY3045
Place : Mumbai
Date : May 24, 2022

Annexure 'B' to the Independent Auditor's Report

The Annexure referred to in Para 2 (f) under 'Report on Other Legal and Regulatory Requirements' of our Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended March 31, 2022:

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 with reference to financial statements of **SHAREKHAN LIMITED** ("the Company") as at March 31, 2022 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both 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 with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

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

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of out information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For KALYANIWALLA & MISTRY LLP
Chartered Accountants
Firm Registration No: 104607W / W100166

Sd/-
Roshni R. Marfatia
Partner
Membership No: 106548
UDIN: 22106548AJNRCY3045
Place : Mumbai
Date : May 24, 2022

SHAREKHAN LIMITED

STANDALONE BALANCE SHEET AS AT 31 MARCH 2022

(Currency: ₹ in million)

Particulars	Note No.	As at 31.03.2022	As at 31.03.2021
ASSETS			
Financial Assets			
Cash and cash equivalents	3.01	3,175	4,973
Bank Balance other than cash and cash equivalents	3.02	26,590	16,633
Receivables			
(i)Trade Receivables	3.03	2,407	2,796
(ii)Other Receivables	3.04	988	1,013
Loans	3.05	9,131	3,977
Investments	3.06	6,917	7,161
Other Financial assets	3.07	196	220
Non-financial Assets			
Current tax assets (Net of provision for tax)		97	100
Deferred tax assets (net)	3.32	315	289
Property, Plant and Equipment	3.08	700	848
Capital work-in-progress	3.09	9	16
Other intangible assets	3.10	64	74
Right-of-use assets	3.11	435	472
Other non-financial assets	3.12	216	173
Total Assets		**51,240**	**38,745**
LIABILITIES AND EQUITY			
LIABILITIES			
Financial Liabilities			
Payables	3.13		
Trade Payables			
(i) total outstanding dues of micro enterprises and small enterprises		-	7
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		22,492	19,479
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		2	-
Borrowing (Other than Debt securities)	3.14	11,269	3,984
Lease liabilities	3.15	491	533
Other financial liabilities	3.16	941	528
		35,195	**24,531**
Non-financial liabilities			
Current tax liabilities (Net of advance tax)		76	154
Provisions	3.17	478	410
Other non-financial liabilities	3.18	481	432
		1,035	**996**
EQUITY			
Equity share capital	3.19	587	587
Other equity	3.20	14,423	12,631
Total equity		**15,010**	**13,218**
Total Liabilities and Equity		**51,240**	**38,745**

The accompanying notes are an integral part of the standalone financial statements - 1 to 29

For Kalyaniwalla & Mistry LLP
Chartered Accountants
Firm Registration No. : 104607W / W100166

For and on behalf of the Board of directors of
Sharekhan Limited
CIN: U99999MH1995PLC087498

Sd/-
Roshni R. Marfatia
Partner
Membership no. : 106548

Sd/-
Jaideep Arora
CEO & Whole Time Director
DIN: 00056252

Sd/-
Stefan Groening
Whole Time Director
DIN: 07657587

Sd/-
Sumeet Chugh
Chief Financial Officer

Sd/-
Vijay Sakali
Company Secretary
FCS No: 11793

Mumbai
Date : 24 May 2022

Mumbai
Date : 24 May 2022

SHAREKHAN LIMITED

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2022

(Currency: ₹ in million)

Particulars	Note No.	Year Ended 31.03.2022	Year Ended 31.03.2021
Revenue from operations			
Interest Income	3.21	2,357	1,493
Dividend Income	3.22	12	1,864
Fee and Commission Income	3.23	9,157	7,912
Net gain on fair value changes	3.24	70	122
Total Revenue from operations		**11,596**	**11,391**
Other Income	3.25	15	25
Total Income		**11,611**	**11,416**
Expenses			
Finance Cost	3.26	497	117
Fee and Commission Expenses	3.27	2,322	1,804
Impairment of financial instruments	3.28	8	29
Employee Benefits Expenses	3.29	2,683	2,292
Depreciation, amortization and impairment	3.30	467	568
Other Expenses	3.31	2,602	2,276
Total Expenses		**8,579**	**7,086**
Profit Before Tax		3,032	4,330
Tax Expense:	3.32		
(1) Current Tax		786	668
(2) Prior year income tax		11	4
(3) Deferred Tax		(19)	(43)
		778	**629**
Profit After Tax	A	**2,254**	**3,701**
Other Comprehensive Income			
(A) (i) Items that will not be reclassified to profit or loss :			
- Remeasurement gain / (loss) on defined benefit plans		(28)	(10)
(ii) Income tax relating to items that will not be reclassified to profit or loss		7	2
Other Comprehensive Income	B	**(21)**	**(8)**
Total Comprehensive Income for the year	(A + B)	**2,233**	**3,693**
Earnings per equity share	4		
Basic and Diluted (₹)		**38.37**	63.00

The accompanying notes are an integral part of the standalone financial statements - 1 to 29

For Kalyaniwalla & Mistry LLP
Chartered Accountants
Firm Registration No. : 104607W / W100166

For and on behalf of the Board of directors of
Sharekhan Limited
CIN: U99999MH1995PLC087498

Sd/-
Roshni R. Marfatia
Partner
Membership no. : 106548

Sd/-
Jaideep Arora
CEO & Whole Time Director
DIN: 00056252

Sd/-
Stefan Groening
Whole Time Director
DIN: 07657587

Sd/-
Sumeet Chugh
Chief Financial Officer

Sd/-
Vijay Sakali
Company Secretary
FCS No: 11793

Mumbai
Date : 24 May 2022

Mumbai
Date : 24 May 2022

SHAREKHAN LIMITED

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2022

(Currency: ₹ in million)

	31.03.2022	31.03.2021
Cash flows from operating activities		
Net profit before taxation	3,032	4,330
Adjustment for :		
Depreciation on property, plant and equipment and intangible assets	280	377
Depreciation on right of use asset	187	191
Net gain on fair value changes	(70)	(122)
Exchange differences on translation of foreign currency cash and cash equivalents *	-	-
Dividend income	(12)	(1,864)
Interest expense on borrowings	365	20
Interest on lease liabilities	45	53
Provision for doubtful deposits	13	15
Provision of expected credit loss	(4)	24
Net loss on sale of property, plant and equipment	2	1
Operating cash flow before working capital changes	**3,838**	**3,025**
Changes in working capital:		
Adjustments for		
Decrease / (Increase) in Trade receivables and other receivables	418	(1,970)
Increase in Deposits kept as margin money and placed with exchange	(9,957)	(5,110)
Increase in Loans	(5,150)	(2,990)
Decrease in Other financial assets	12	76
Increase in Other non-financial assets	(42)	(58)
Increase in Trade and other payables	3,008	5,736
Increase in Other financial liabilities	413	111
Increase / (Decrease) in Other non-financial liabilities	49	(244)
Increase in Provisions	39	72
Cash generated (used in) operations	**(7,372)**	**(1,352)**
Income tax paid	(872)	(641)
Net cash flow (used in) operating activities (A)	**(8,244)**	**(1,993)**
Cash flow from investing activities		
Purchase of Property, Plant and Equipment	(74)	(277)
Purchase of Intangibles	(44)	(12)
Proceeds from sale of Property, Plant and Equipment	1	1
Proceeds from sale of intangibles	-	-
Purchase of investments	(4,560)	(15,150)
Proceeds on redemption of investments	4,874	15,619
Investment in subsidiaries	-	(607)
Dividend income	12	1,864
Loan given to subsidiary companies	(19,302)	(33,291)
Loan repaid by subsidiary companies	19,297	33,589
Net cash flow generated from investing activities (B)	**204**	**1,736**
Cash flow from financing activities		
Loan taken from subsidiary companies	17,424	14,151
Loan repaid to subsidiary companies	(17,428)	(14,139)
Dividend paid	(441)	(5,992)
Proceeds from commercial paper	32,339	3,972
Repayment of commercial paper	(26,500)	-
Proceeds from working capital demand loan	9,313	-
Repayment of working capital demand loan	(7,863)	-
Interest paid on borrowings	(365)	(20)
Rent payment towards lease liabilities	(192)	(186)
Interest on lease liability	(45)	(53)
Net cash flow genearated from /(used) in financing activities (C)	**6,242**	**(2,267)**
Effect of exchange differences on translation of foreign currency cash and cash equivalents * (D)	-	-
Net increase in cash and cash equivalents (A+B+C+D)	**(1,798)**	**(2,524)**
Cash and cash equivalents at the beginning of the year	4,973	7,497
Cash and cash equivalents at the end of the year	**3,175**	**4,973**

* Amount disclosed as '-' on account of rounding off to million.

Notes:

1) Cash and cash equivalents comprises of:

Cash in hand	3	3
Balances with banks in current account	3,172	4,970
	3,175	**4,973**

2) The above statement of cash flow has been prepared under the 'Indirect Method' as set out in Ind AS 7 - 'Statement of Cash Flows'.

3) Since the Company is engaged in stock broking services, interest income have been considered as part of 'Cash flow from operating activities'.

4) Direct taxes paid is treated as arising from operating activities and is not bifurcated between investing and financing activities.

For Kalyaniwalla & Mistry LLP
Chartered Accountants
Firm Registration No. : 104607W / W100166

Sd/-
Roshni R. Marfatia
Partner
Membership no. : 106548

Mumbai
Date : 24 May 2022

For and on behalf of the Board of directors of
Sharekhan Limited
CIN: U99999MH1995PLC087498

Sd/-
Jaideep Arora
CEO & Whole Time Director
DIN: 00056252

Sd/-
Stefan Groening
Whole Time Director
DIN: 07657587

Sd/-
Sumeet Chugh
Chief Financial Officer

Sd/-
Vijay Sakali
Company Secretary
FCS No: 11793

Mumbai
Date : 24 May 2022

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2022

(Currency: ₹ in million)

A. Share Capital (Refer Note 3.19)

	Equity Share Capital	
	Number	**Balance**
Balance as at 1st April 2020	58,746,178	587
Changes in equity share capital during the year	-	-
Balance as at 31st March 2021	**58,746,178**	**587**
Issue of share capital during the year	-	-
Balance as at 31st March 2022	**58,746,178**	**587**

B. Other Equity (Refer Note 3.20)

	Reserves and Surplus			Other Comprehensive Income	Total
	Securities premium	**Capital redemption reserve**	**Retained Earnings**		
Balance as at April 1, 2020	**4,093**	**30**	**10,807**		**14,930**
Profit for the year	-	-	3,701	-	3,701
Dividend paid	-	-	(5,992)	-	(5,992)
Other Comprehensive Income for the year	-	-	(8)	-	(8)
Balance as at March 31, 2021	**4,093**	**30**	**8,508**	**-**	**12,631**
Profit for the year	-	-	2,254	-	2,254
Dividend Paid	-	-	(441)	-	(441)
Other Comprehensive Income for the year	-	-	(21)	-	(21)
Balance as at March 31, 2022	**4,093**	**30**	**10,300**	**-**	**14,423**

The accompanying notes are an integral part of the standalone financial statements - 1 to 29

As per our report attached
For KALYANIWALLA & MISTRY LLP
Chartered Accountants
Registration No.: 104607W / W100166

Sd/-
Roshni R. Marfatia
Partner
Membership No.:106548

Mumbai
Date : 24 May 2022

For and on behalf of the Board of directors of
Sharekhan Limited
CIN: U99999MH1995PLC087498

Sd/-
Jaideep Arora
CEO & Whole Time Director
DIN: 00056252

Sd/-
Stefan Groening
Whole Time Director
DIN: 07657587

Sd/-
Sumeet Chugh
Chief Financial Officer

Sd/-
Vijay Sakali
Company Secretary
FCS No: 11793

Mumbai
Date : 24 May 2022

1) Background

Sharekhan Limited ('the Company') is a public limited company incorporated under the provisions of the Company's Act, 1956. The Company provides research based stock and commodity broking services predominantly to non-institutional investors, distributes Mutual funds, renders depository services & portfolio management services. The Company is subsidiary of BNP Paribas SA. During the previous year ended 31st March, 2021, the Company had acquired 100% Espresso Financial Services Private Limited (formerly known as Sharekhan Comtrade Private Limited) on 10th June 2020 pursuant to Share Purchase Agreement date 24 December 2019.

2) Significant accounting policies

The significant accounting policies applied by the Company in the preparation of its standalone financial statements are listed below. Such accounting policies have been applied consistently to all the periods presented in these standalone financial statements.

a) Statement of compliance

The standalone financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with of the Companies (Indian Accounting Standards) Rules,2015 as amended and other relevant provisions of the Act.

b) Basis of preparation and presentation of Standalone Financial Statements

The standalone financial statements have been prepared on a historical cost basis, except certain financial assets and liabilities that are measured at fair value.

The standalone financial statements are presented in INR and all values are rounded to the nearest million, except when otherwise indicated.

The Company presents its balance sheet in order of liquidity. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non–current) is presented in note 11.

c) Significant accounting judgements, estimates and assumptions

The preparation of standalone financial statements in conformity with the recognition and measurement principles of Ind AS requires management of the Company to make judgments, estimates and assumptions. These judgments, estimates and assumptions affect the reported amounts of assets and liabilities, disclosures including disclosures of contingent liabilities as at the date of financial statements and the reported amounts of revenues and expenses during the period. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in future periods which are affected.

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year are:

(i) Fair value measurements

When the fair value of financial assets or financial liabilities recorded or disclosed in the standalone financial statements cannot be measured at the quoted price in the active markets, their fair value is measured using the valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values, judgments includes consideration of inputs such as liquidity risk , credit risk and volatility.

(ii) Provisions, liabilities and contingencies

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events that can reasonably be estimated. The timing of recognition requires application of judgments to existing facts and circumstances which may be subject to change. The amounts are determined by discounting the expected future cash flows at a pre – tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that are possible to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognized.

2) Significant accounting policies *(Continued)*

c) Significant accounting judgements, estimates and assumptions *(Continued)*

(iii) Recognition and Measurement of defined benefit obligation

The obligation arising from defined benefit plans is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

(iv) Impairment of financial assets

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

d) Revenue recognition
Recognition of income

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 and supersedes current revenue recognition guidance found within Ind ASs.

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

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

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

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

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

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

i Interest income

Under Ind AS 109 interest income is recorded using the effective interest rate (EIR) method for all financial instruments measured at amortised cost. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset or, when appropriate, a shorter period, to the net carrying amount of the financial asset.

The internal rate of return on financial assets after netting off the fees received approximates the effective interest rate method of return for the financial assets.

ii Fees & Commission income

1 Broking fees income

Brokerage is recognised at point in time as per contracted rates on the excution of the transaction in Exchanges on behalf of clients on trade dates. Brokerage is net of Goods & Service tax (GST).

2 Depository income

Depository income (net of GST) pertains to income from depository services rendered by the Company and is recognised after ascertaining recoverability of the same.

3 Portfolio management fee

Portfolio management fee (net of GST) is recognised on an accrual basis in accordance with the terms of contract between the Company and Portfolio Management Scheme (PMS) clients. Fees which are based on the performance of the respective portfolios are recognised on completion of the performance period at point in time.

2) Significant accounting policies *(Continued)*

d) Revenue recognition *(Continued)*

ii Fees & Commission income *(Continued)*

4 Income from Initial Public Offer (IPO) / Mutual Fund (MF) services

Service income (net of GST), viz distribution of Initial Public Offer (IPO) and Mutual Fund is recognised on accrual basis as and when services are performed at point in time.

e) Foreign currency transactions and translation

The management of the Company has determined Indian Rupee ("INR") as the functional currency of the Company. In preparing the standalone financial statements, transactions in currencies other than the entity's functional currency are recorded at the rates of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are re-translated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are re-translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.
Exchange differences arising on the translations/settlement of monetary items in foreign currency are recognised in the Standalone Statement of Profit and Loss.

f) Taxation

Income tax expense comprises both current and deferred tax. Current and deferred taxes are recognised in the standalone statement of profit and loss.

Current Tax

Current tax assets and liabilities for the current and prior years 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, by the reporting date in the countries where the Company operates and generates taxable income.
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). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax assets and liabilities are recognised on temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the standalone financial statements.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2) Significant accounting policies *(Continued)*

g) Financial Instruments

i) Classification

A Financial instrument is any contract that give rise to a financial asset of one entity and financial liability or equity instruments of another entity.

Financial assets, other than equity, are classified into finanical assets at fair value through other comprehensive income (FVOCI) or fair value through profit and loss account (FVTPL) or at amortised cost. Financial assets that are equity instruments are classified as FVTPL or FVOCI. Financial liabilities are classifed as amortised cost category and FVTPL.

ii) Business Model assessment and Solely payments of principal and interest (SPPI) test:

Classification and measurement of financial assets depends on the business model and results of SPPI test. The Company determines the business model at a level that reflects how Companys of financial assets are managed together to achieve a particular business objective. As a second step of its classification process the Company assesses the contractual terms of financial to identify whether they meet the SPPI test. Based on the above, financial assets are either classified as:

1. Amortised cost,
2. Fair value through other comprehensive income and
3. Fair value through profit and loss.

iii) Initial recognition:

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in statement of profit and loss.

Financial assets and financial liabilities are initially recognised on the trade date i.e. the date when a Company becomes party to the contractual provisions of the instruments. At initial recognition, the Company measures trade receivables at their transaction price if the trade receivables do not contain a significant financing component.

iv) Subsequent measurement:

Financial assets at amortised cost:

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and 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.

The company measures bank balances, loans, trade receivables and financial investments at amortised cost.

Fair value through Profit and loss account:

Financial assets are measured at FVTPL unless it is measured at amortised cost or at FVOCI on initial recognition. The transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are immediately recognised in profit or loss.

v) Financial Liabilities and equity instruments:

Classification as debt or equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Financial Liabilities

Trade and other payables are initially measured at fair value, net of transaction costs, and These are subsequently measured at amortised cost using effective interest rate method where the time value of money is significant. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate the fair value due to the short maturity of these instruments.

2) Significant accounting policies *(Continued)*

g) Financial Instruments *(Continued)*

vi) Reclassification of Financial assets and Financial liabilities:

The Company does not re-classify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances when the Company changes its business model for managing such financial assets. The Company does not re-classify its financial liabilities.

vii) Impairment of financial assets:

The Company recognises loss allowances using the Expected Credit Loss (ECL) model for the financial assets which are at amortised cost. Expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk or the assets have become credit impaired from initial recognition in which case, those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date is recognised as an impairment gain or loss in the Statement of Profit and Loss.

Trade receivables:

The Company follows the 'Simplified approach' for recognition of impairment loss allowance on trade receivables. The Company recognises impairment loss allowance based on lifetime expected credit losses('ECL') on all credit impaired trade receivables at each reporting date. For trade receivables which are not credit impaired, impairment loss allowance are recognised based on management's best estimate of default rates at each reporting date.

Collateral valuation

To mitigate credit risks on Financial assets, the Company seeks to use collateral where possible. The collateral comes in form of cash & securities. Collaterals unless repossessed are not recorded on the Company's Balance Sheet. However, the fair value of the collateral affects the calculation of ECL. Collateral relating to margin requirements is valued daily. The Company uses active market data for valuing the securities held as collateral.

Loans to Customers and other financial assets

The Company recognizes impairment allowances using Expected Credit Losses method on all the financial assets that are not measured at FVTPL.

The Company has established a policy for the purpose of ECL calculation under Ind AS 109 and loans are classified in 3 stages (mentioned below) based on change in credit risk of the loan from the initiation of the loan. Depending on the stage at which a loan or a group of loans are classified, level of ECL provision and method of calculation of ECL differs as stated in the policy.

Stage 1 is where credit risk has not increased significantly since initial recognition. For financial assets in stage 1, the Company recognises 12 month expected credit loss as ECL provision and recognizes interest income on a gross basis – this means that interest will be calculated on the gross carrying amount of the financial asset before adjusting for ECL provision.

Stage 2 is where credit risk has increased significantly since initial recognition. When a loan transfers to stage 2 the Company recognises lifetime expected credit loss on such loans/group of loans at the same time interest income will continue to be recognised on a gross basis.

Stage 3 is where the financial asset is credit impaired. This is effectively the point at which there has been expected credit loss event under Ind AS 109. For financial assets in stage 3, the Company will recognise lifetime expected credit loss at loan level.

Financial assets are written off / fully provided for when there is no reasonable of recovering a financial assets in its entirety or a portion thereof.

However, financial assets that are written off could still be subject to enforcement activities under the Company’s recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in the Statement of Profit and Loss.

viii) Derecognition of Financial assets and Financial liabilities:

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expires or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

A financial liability is derecognised when, and only when, the obligation under the liability is discharged, cancelled or expired.

2) Significant accounting policies *(Continued)*

h) Cash and cash equivalents :

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

i) Property, Plant and Equipment

Property, plant and equipment are stated at cost of acquisition less accumulated depreciation and accumulated impairment loss, if any. Cost includes all expenses incidental to the acquisition of the property, plant and equipment and any attributable cost of bringing the asset to its working condition for its intended use. Subsequent costs are capitalised only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are recognized in statement of profit and loss as incurred.

Capital work in progress and Capital advances

Cost of assets not ready for intended use, as on the Balance Sheet date, is shown as capital work in progress. Advances given towards acquisition of property, plant and equipment outstanding at each Balance Sheet date are disclosed in Other Non-Financial Assets.

Depreciation of property, plant and equipment

Depreciation on property, plant and equipment, other than premises and leasehold improvements, is provided on a straight line method based on estimated useful life. Premises are depreciated over its estimated useful life on a straight line basis. Leasehold improvements are amortised over the primary period of lease on a straight line basis or useful life whichever is less.

As per the requirement of the Act, the Company has evaluated the useful lives of its property, plant and equipment and has computed depreciation according to the provisions of Schedule II of the Act. The useful life of the following assets are as follows :

Tangible assets	**As per Companies Act**
Furniture and fixtures	10 years
Vehicles	10 Years
Office equipments	5 Years
Electric fittings and generator	10 Years
Computer hardware	3 - 6 Years

Further as disclosed in the table below, the estimated useful life of certain property, plant and equipment of the Company is different from useful life prescribed in Schedule II of the Act.

Nature of property, plant and equipment	**Management Estimate of Useful Life (in years)**	**Useful life as per the limits prescribed in Schedule II of the Act (in years)**
Office Premises	20	60
Air Conditioners	10	15

For these class of assets, based on internal technical assessment, 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 is different from the useful lives as prescribed under Part C of Schedule II of the Act.

Assets individually costing INR 5,000/- or less are fully depreciated in the year of purchase or acquisition.

Depreciation in respect of leasehold improvements is provided on straight-line method over a period of 10 years since the management is reasonably certain of renewal of lease terms.

The Company provides pro-rata depreciation from the date the asset is ready for its intended use and in respect of assets sold, depreciation is provided upto the date of disposal.

The residual values, estimated useful lives and method of depreciation of property, plant and equipment are reviewed at end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

2) Significant accounting policies *(Continued)*

i) Property, Plant and Equipment (*Continued)*

Property, plant and equipment are derecognised on disposal or when no future economic benefits are expected to arise from its continuous use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in other income / expense in the statement of profit and loss in the year the asset is derecognised. The date of disposal of an item of property, plant and equipment is the date the recipient obtains control of that item in accordance with the requirements for determining when a performance obligation is satisfied in Ind AS 115.

j) Intangible Assets:

Intangible assets are carried at cost less accumulated amortisation.

Capital work in progress and Capital advances

Cost of assets not ready for intended use, as on the Balance Sheet date, is shown as capital work in progress. Advances given towards acquisition of intangible assets outstanding at each Balance Sheet date are disclosed in Other Non-Financial Assets.

Amortisation of intangible assets

Intangible assets are amortized on a straight line basis over the useful life of the assets commencing from the year in which such assets are first ready for its intended use. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets are amortised as follows:
- Membership rights of the BSE Limited ('BSEL') over a period of 10 years;
- Computer software and web development cost over a period of 3 years;
- Goodwill and trademark over a period of 3 years;
- Non-compete fees over the agreement period subject to maximum of 3 years.

Intangible assets are derecognised on disposal or when no future economic benefits are expected to arise from its continuous use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in other income / expense in the statement of profit and loss in the year the asset is derecognised. The date of disposal of an item of intangible asset is the date the recipient obtains control of that item in accordance with the requirements for determining when a performance obligation is satisfied in Ind AS 115.

k) Right of Use (ROU) and Lease Liability

The company has applied Ind AS 116 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under Ind AS 17.

As a lessee

The company recognises a right-of-use asset (ROU) and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date.

The right-of-use asset is subsequently depreciated using the straight-line method of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the average borrowing rate at the commencement date of the lease for the estimated term of the obligation.

Lease payments included in the measurement of the lease liability comprise the amounts expected to be payable over the period of the lease. The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

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

2) Significant accounting policies *(Continued)*

l) Impairment of non - financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount.

Recoverable amount is the higher of fair value less costs of disposal and value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Companys of assets. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. The impairment loss, if any, is recognised in the statement of profit and loss in the period in which impairment takes place.
A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, however subject to the increased carrying amount not exceeding the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior accounting periods. A reversal of an impairment loss is recognised immediately in the statement of profit and loss.

m) Employee benefits

Defined contribution plans
(i)Provident fund

The Company contributes to a recognised provident fund and family pension fund which is a defined contribution scheme. The contributions are accounted for on an accrual basis and recognised in the statement of profit and loss. The eligible employees of the Company are entitled to receive post-employment benefits in respect of provident and family pension fund. The contributions made to state managed retirement benefit schemes are dealt with as payments to defined contribution schemes where the Company's obligations under the schemes are equivalent to those arising in a defined contribution retirement benefit scheme.

Defined Benefit Plan
(i) Gratuity

The Company's gratuity scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit is calculated by estimating the amount of future benefit that the employees have earned in return for their service in the current and prior periods, that benefit is discounted to determine its present value, and the fair value of plan assets, if any, is deducted from such determined present value.

The discount rate used for determining the present value is based on the Indian Government Securities yields prevailing as at the balance sheet date that have maturity date equivalent to the tenure of the obligation.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method with actuarial valuations being carried out at the end of each annual reporting period.

All other expenses related to defined benefit plans is recognised in employee benefit expenses in statement of profit and loss. Remeasurements are not reclassified to profit or loss in subsequent periods.

When the benefits of the plan are changed, or when a plan is curtailed or settlement occurs, the portion of the changed benefit related to past service by employees, or the gain or loss on curtailment or settlement, is recognized immediately in the profit or loss account when the plan amendment or when a curtailment or settlement occurs.

(ii) Compensated absences

Compensated absences are recognised as a liability at the present value of the defined benefit obligation at the balance sheet date. The Company's liability towards compensated absences is determined on the basis of valuations, as at balance sheet date, carried out by an independent actuary using Projected Unit Credit Method. Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognised immediately in the statement of profit and loss.

2) Significant accounting policies *(Continued)*

m) Employee benefits *(Continued)*

Other Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised during the year.

Long term incentive plan (LTIP)

The company has launched 'Group Sustainability and Incentive Scheme' (GSIS), 'Contingent Sustainable and International Scheme' (CSIS) and 'Growth Technology Sustainability Scheme' (GTSS) for various future ending periods which is a defined benefit and is accrued based on an actuarial valuation at the balance sheet date carried out by an independent actuary.

n) Accounting for provisions, contingent liabilities and contingent assets

Provisions are recognised in the balance sheet when the Company has a present obligation (legal or constructive) as a result of a past event, which is expected to result in an outflow of resources embodying economic benefits which can be reliably estimated. Each provision is based on the best estimate of the expenditure required to settle the present obligation at the balance sheet date. Where the time value of money is material, the amount of a provision shall be the present value of the expenditures expected to be required to settle the obligation.

Provisions shall be reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision shall be reversed.

Contingent liabilities are not recognised in the standalone financial statements. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. The Company does not recognise contingent asset.

o) Earnings per share

The basic earnings per share is computed by dividing the net profit attributable to the equity shareholders by weighted average number of equity shares outstanding during the reporting period.

Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. In computing diluted earnings per share, only potential equity shares that are dilutive are included.

p) Borrowing cost

All borrowing cost are expensed in the period when they occur. Borrowing cost consists of interest and other cost that an entity incurs in connection with the borrowing of the funds.

q) Segment Report

Based on the ‘management approach’ as defined in Ind AS 108, the Chief Operating Decision Maker (CODM) evaluates the Company’s performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments. The accounting principles used in the preparation of the standalone financial statements are consistently applied to record revenue and expenditure in individual segments, and are as set out in the significant accounting policies.

The Company's business segment is "brokerage activities in the secondary market on behalf of clients, services rendered as a depository participant, services for primary market subscriptions on behalf of clients, distribution of third party product and includes income incidental and consequential to such activities" and it has no other primary reportable segments. Accordingly, the segment revenue, segment results, total carrying amount of segment assets and segment liabilities, total cost incurred to acquire segment assets and total amount of charge for depreciation during the year, is as reflected in the Standalone Financial Statements as of and for the year ended March 31, 2022. The Company caters to the needs of only domestic market and hence there are no reportable geographical segments”.

(Currency: ₹ in million)

3.01 Cash and cash equivalents

	As at 31.03.2022	As at 31.03.2021
Cash on hand	3	3
Balances with Banks		
- in current accounts	3,172	4,970
Total	**3,175**	**4,973**

(a) Balance with banks is net of book overdrafts of ₹ Nil (31 March 2021: ₹ 12)

3.02 Bank Balance other than cash and cash equivalents

	As at 31.03.2022	As at 31.03.2021
Deposits with banks (Refer Note (a) below)	26,269	16,452
Interest receivable on bank deposits	321	181
Total	**26,590**	**16,633**
(a) Deposits with bank includes the following:		
- Fixed deposit on margin money for availing overdraft facilities and guarantees issued by banks;	2,269	781
- Fixed Deposit placed with exchanges towards capital adequacy and membership fees;	24,000	14,386

3.03 Trade receivables

	As at 31.03.2022	As at 31.03.2021
Receivables considered good- Secured*	2,319	2,773
Receivables considered good- Unsecured	97	57
Receivables which have significant increase in credit risk	-	-
Receivables- credit impaired	260	250
	2,676	3,080
Less: Allowance for impairment loss	269	284
Total	**2,407**	**2,796**

* secured against securities given as collateral by the customers

(Currency: ₹ in million)

3.03 Trade receivables *(Continued)*

Trade receivables Ageing Schedule:-
For the year ended 31 March 2022

Particulars	Outstanding for following periods from due date of payment						Loss Allowance	Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years		
(i) Undisputed Trade receivables – considered good	67	2,296	40	4	6	3	(9)	2,407
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii)Undisputed Trade Receivables – credit impaired	-	12	1	38	23	186	(260)	-
(iv)Disputed Trade Receivables –considered good	-	-	-	-	-	-	-	-
(v)Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi)Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-

For the year ended 31 March 2021

Particulars	Outstanding for following periods from due date of payment						Loss Allowance	Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years		
(i) Undisputed Trade receivables – considered good	39	2,715	4	15	8	48	(34)	2,795
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii)Undisputed Trade Receivables – credit impaired	-	20	13	35	80	102	(250)	-
(iv)Disputed Trade Receivables –considered good	-	-	-	-	-	-	-	-
(v)Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi)Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-

Notes:

(a) No trade receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade receivable are due from firms including limited liability partnerships (LLPs) or private companies respectively in which any director is a partner, a director or a member.

3.04 Other receivables

	As at 31.03.2022	As at 31.03.2021
Unsecured - considered good		
Exchange receivable	977	976
Receivable from related party:		
- Espresso Financial Services Private Limited	8	31
- Sharekhan.com India Private Limited*	-	-
- BNP Paribas SA*	-	-
Other receivable	3	6
Total	**988**	**1,013**

* represents amount less than 1 million

(a) The above receivables do not have any significant increase in credit risk and are not credit impaired.
(b) The outstanding balance as on 31 March 2022 and as on 31 March 2021 is fully undisputed and less than six months.
(c) No receivables are due from directors or other officers of the company either severally or jointly with any other person. Nor any receivables are due from firms including limited liability partnerships (LLPs) or private companies respectively in which any director is a partner, a director or a member.

(Currency: ₹ in million)

3.05 Loans

		As at 31.03.2022	As at 31.03.2021
Loans - at amortised cost			
Loan repayable on demand to subsidiary			
- Espresso Financial Services Private Limited		30	26
Exchange margin funding to customers		9,116	3,955
Loans to employees		3	4
Total - Gross		9,149	3,985
Less: Impairment loss allowance		18	8
Total - Net	**A**	**9,131**	**3,977**
Secured/ Unsecured			
(a) Secured by investments made by customers in securities		9,116	3,955
(b) Unsecured		33	30
Total - Gross		9,149	3,985
Less: Impairment loss allowance		18	8
Total - Net	**B**	**9,131**	**3,977**
Loans in India			
Public Sector		-	-
Others		9,149	3,985
Total - Gross		**9,149**	**3,985**
Less: Impairment loss allowance		18	8
Total - Net	**C**	**9,131**	**3,977**
Stage wise break up of Loans			
Low credit Risk (Stage 1)		**9,131**	**3,977**
Significant increase in credit risk (Stage 2)		**-**	**-**
Credit impaired (Stage 3)		**-**	**-**
	D	**9,131**	**3,977**

No loans have been granted to promoters, directors, key managerial personnel and the related parties either severally or jointly with any other person that are :
a) Repayable on demand
b) Without specifying any terms or period of repayment

3.06 Investments

Investments	Amortised cost	At Fair Value			Others (At cost)	Total
		Through other comprehensive income	Through profit or loss	Designated at fair value through profit or loss		
As at 31.03.2022						
Investments						
Mutual funds	-	-	2,059	-	-	2,059
Subsidiaries						
- Sharekhan Commodities Private Limited	-	-	-	-	20	20
- Sharekhan BNP Paribas Financial Services Limited	-	-	-	-	4,186	4,186
- Espresso Financial Services Private Limited	-	-	-	-	607	607
- Wealthtiger Investment Advisors Private Limited	-	-	-	-	5	5
Other - Aviva Life Insurance Company India Limited	-	-	40	-	-	40
Total	**-**	**-**	**2,099**	**-**	**4,818**	**6,917**
(i) Investments outside India	-	-	-	-	-	-
(ii) Investments in India	-	-	2,099	-	4,818	6,917
Total	**-**	**-**	**2,099**	**-**	**4,818**	**6,917**
As at 31.03.2021						
Investments						
Mutual funds	-	-	2,304	-	-	2,304
Subsidiaries						
- Sharekhan Commodities Private Limited	-	-	-	-	20	20
- Sharekhan BNP Paribas Financial Services Limited	-	-	-	-	4,186	4,186
- Espresso Financial Services Private Limited					607	607
- Wealthtiger Investment Advisors Private Limited	-	-	-	-	5	5
Other - Aviva Life Insurance Company India Limited	-	-	39	-	-	39
Total	**-**	**-**	**2,343**	**-**	**4,818**	**7,161**
(i) Investments outside India	-	-	-	-	-	-
(ii) Investments in India	-	-	2,343	-	4,818	7,161
Total	**-**	**-**	**2,343**	**-**	**4,818**	**7,161**

(Currency: ₹ in million)

3.6 Investments *(Continued)*

Investment - others comprises of investment in subsidiaries which are held at cost.

More information regarding the valuation methodologies can be found in note 12

Reclassification

During the current or previous reporting periods the company has not reclassified any investments since its initial classification.

Details of investments made scripwise are as follows:

	At fair value		At cost	
Investments in mutual funds	**31.03.2022**	**31.03.2021**	**31.03.2022**	**31.03.2021**
1,233,616 (31 March 2021: 1,233,616) Aviva Life Insurance Company India Ltd.#	40	39	25	25
31,013 (31 March 2021: 31,013) Aditya Birla Sun Life Liquid Fund-Direct Plan Growth	11	10	10	10
Nil (31 March 2021: 1,509,522) Aditya Birla Sun Life Liquid Fund-Direct Plan Growth *	-	501	-	500
Nil (31 March 2021: 82,241)BNP Paribas Liquid Fund - Direct Plan Growth (LF-DG)	-	260	-	260
1,587,876 (31 March 2021: 1,643,034)ICICI Prudential Liquid Fund-Direct Plan Growth*	501	501	500	488
33,750 (31 March 2021: 33,750)ICICI Prudential Liquid Fund-Direct Plan Growth	11	10	10	10
1,926 (31 March 2021: 31,883)Nippon India Liquid Fund -Direct Plan Growth	10	160	10	160
150,181 (31 March 2021: 77,636) SBI Liquid Fund-Direct Growth*	501	250	500	245
3,189 (31 March 2021: 3189) SBI Liquid Fund-Direct Growth	11	10	10	10
2,628(31 March 2021: 12,194) Kotak Liquid Fund - Direct Growth	11	51	11	50
117,069 (31 March 2021: 120,331) Kotak Liquid Fund - Direct Growth*	504	500	500	500
211,855 (31 March 2021: Nil) Axis mutual fund - Direct Growth*	501	-	500	-
Nil (31 March 2021: 23,103) Mirae asset management fund - Direct Growth	-	50	-	50
	2,099	**2,343**	**2,076**	**2,308**

Investment is earmarked against compensated absences

* Investment includes - pledged with exchanges towards capital adequacy ₹ 2,007 (31 March 2021 ₹1,752), cost being ₹ 2,000 (31 March 2021 ₹1,732)

(Currency: ₹ in million)

3.07 Other Financial Assets

	As at 31.03.2022	As at 31.03.2021
Unsecured, considered good (unless otherwise stated)		
Security and other deposits (Refer note (a) below)		
(a) considered good	193	216
(b) considered doubtful	87	75
	280	291
Less: Allowance for credit losses	87	75
	193	**216**
Others		
Advance to staff	3	4
Total	**196**	**220**

(a) Of the above,

Deposits kept under arbitration (net of provision ₹ 69 (31 March 2021 ₹ 71))	16	34
Deposits kept with exchange (net of provision NIL)	37	37

(b) No advances in the nature of loans have been granted to promoters, directors, key managerial personnel and the related parties either severally or jointly with any other person:-

a) Repayable on demand

b) Without specifying any terms or period of repayment

(Currency: ₹ in million)

3.08 Property, Plant and Equipment

Description	Office Premises	Furniture and Fixtures	Vehicles *	Office Equipments	Computers	Leasehold Improvements - Furniture and Fixtures	Electrical fitting and generator	Air conditioners	Total
I. Gross Block									
Balance as at April 1, 2020	624	195	-	92	958	158	104	78	2,209
Additions	-	6	-	2	244	9	4	3	268
Disposals	-	2	-	1	11	4	2	2	22
Balance as at March 31, 2021	**624**	**199**	**-**	**93**	**1,191**	**163**	**106**	**79**	**2,455**
Additions	-	2	-	2	65	3	2	1	75
Disposals	-	1	-	26	96	2	1	2	128
Balance as at March 31, 2022	**624**	**200**	**-**	**69**	**1,160**	**164**	**107**	**78**	**2,402**
II. Accumulated Depreciation and impairment									
Balance as at April 1, 2020	314	112	-	62	652	95	53	35	1,323
Depreciation / amortisation charge for the year	29	27	-	17	190	16	14	10	303
Eliminated on disposal of assets	-	1	-	1	11	4	1	1	19
Balance as at March 31, 2021	**343**	**138**	**-**	**78**	**831**	**107**	**66**	**44**	**1,607**
Depreciation / amortisation charge for the year	29	11	-	9	150	8	7	6	220
Eliminated on disposal of assets	-	1	-	24	96	1	1	2	125
Balance as at March 31, 2022	**372**	**148**	**-**	**63**	**885**	**114**	**72**	**48**	**1,702**
III. Net block (I-II)									
Balance as at March 31, 2022	**252**	**52**	**-**	**6**	**275**	**50**	**35**	**30**	**700**
Balance as at March 31, 2021	**281**	**61**	**-**	**15**	**360**	**56**	**40**	**35**	**848**

* represents amount less than 1 million

(a) The title deeds of all immovable properties are held in the name of Sharekhan Limited and are not held in the name of any promoter, director or relative of promoter/ director or employee of promoter / director. The details of immovable properties are as follows:

Name of the Property	Date since held
Ruby Corporate office	14.July.2011
Lodha Registered Office	01.March.2010

(b) There have been no acquisitions through business combinations and no revaluation of Property, plant and equipment during the year ended 31 March 2022 and 31 March 2021.

3.09 Capital work-in-progress

CWIP ageing schedule

Particulars	Outstanding as at March 31, 2022				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in Progress	6	2	1	-	**9**
Projects temporarily suspended	-	-	-	-	**-**
	6	**2**	**1**	**-**	**9**

Particulars	Outstanding as at March 31, 2021				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in Progress	12	4	-	-	**16**
Projects temporarily suspended	-	-	-	-	**-**
	12	**4**	**-**	**-**	**16**

(Currency: ₹ in million)

3.10 Other intangible assets

Description	Computer Software	Web development infrastructure	Goodwill and non compete fees (Refer note 7)	Membership rights	Trademark	Total
I. Gross Block						
Balance as at April 1, 2020	637	162	78	2	*	**879**
Additions	12	-	-	-	-	**12**
Disposals	-	-	-	-	-	**-**
Balance as at March 31, 2021	**649**	**162**	**78**	**2**	*	**891**
Additions	51	-	-	-	-	**51**
Disposals	2	-	-	-	-	**2**
Balance as at March 31, 2022	**698**	**162**	**78**	**2**	*	**940**
II. Accumulated amortisation						
Balance as at April 1, 2020	501	162	78	2	*	**743**
Amortisation charge for the year	74	-	-	-	-	**74**
Eliminated on disposal of assets	-	-	-	-	-	**-**
Balance as at March 31, 2021	**575**	**162**	**78**	**2**	*	**817**
Amortisation charge for the year	61	-	-	-	-	**61**
Eliminated on disposal of assets	2	-	-	-	-	**2**
Balance as at March 31, 2022	**634**	**162**	**78**	**2**	*	**876**
III. Net block (I-II)						
Balance as at March 31, 2022	**64**	-	-	-	*	**64**
Balance as at March 31, 2021	**74**	-	-	-	*	**74**

* represents amount less than 1 million

(a) There have been no acquisitions through business combinations and no revaluation of intangible assets during the year ended 31 March 2022 and 31 March 2021.

3.11 Right-of-use assets

	Total
I. Gross Block	
Balance as at April 1, 2020	996
Additions	85
Disposals	130
Balance as at March 31, 2021	**951**
Additions	155
Disposals	86
Balance as at March 31, 2022	**1,020**
II. Accumulated amortisation	
Balance as at April 1, 2020	398
Amortisation charge for the year	191
Eliminated on disposal of assets	110
Balance as at March 31, 2021	**479**
Amortisation charge for the year	189
Eliminated on disposal of assets	83
Balance as at March 31, 2022	**585**
III. Net block (I-II)	
Balance as at March 31, 2022	**435**
Balance as at March 31, 2021	**472**

3.12 Other non-financial assets

	As at 31.03.2022	As at 31.03.2021
Unsecured and considered good, unless otherwise stated		
Capital advances		
(a) considered good	10	11
(b) considered doubtful	-	3
	10	14
Less: Allowance for credit loss	-	3
	10	11
Prepaid Expenses	184	139
Stamps in hand	1	1
Others	21	22
Total	**216**	**173**

(Currency: ₹ in million)

3.13 Payables

	As at 31.03.2022	As at 31.03.2021
(I) Trade Payables		
(i) total outstanding dues of micro enterprises and small enterprises (Refer note 20)	-	7
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	22,492	19,479
(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	2	-
Total	**22,494**	**19,486**

Payables Ageing Schedule:-
For the year ended 31 March 2022

Particulars		Outstanding for following periods from due date of payment				
	Unbilled	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)MSME	-	-	-	-	-	-
(ii)Others	570	21,698	82	33	111	22,494
(iii)Disputed Dues - MSME	-	-	-	-	-	-
(iv)Disputed Dues - Others	-	-	-	-	-	-

For the year ended 31 March 2021

Particulars		Outstanding for following periods from due date of payment				
	Unbilled	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)MSME	-	7	-	-	-	7
(ii)Others	455	18,842	29	40	113	19,479
(iii)Disputed Dues - MSME	-	-	-	-	-	-
(iv)Disputed Dues - Others	-	-	-	-	-	-

Disclosure of amounts due to Micro, Small and Medium enterprises is based on information available with the Company regarding the status of the suppliers as defined under 'The Micro, Small and Medium Enterprises Development Act, 2006' (MSMED). This has been relied upon by the auditors.

3.14 Borrowing (Other than Debt securities)

	As at 31.03.2022	As at 31.03.2021
At amortised cost		
Commercial Paper (unsecured)	9,810	3,972
Loan from Bank (secured)	1,450	-
Demand Loan from related party (unsecured)	9	12
Total	**11,269**	**3,984**
Borrowing in India (at amortised cost)	11,269	3,984
Borrowing outside India (at amortised cost)	-	-
	11,269	**3,984**

External commercial borrowings Unsecured*

Nature	As at	Repayment Term	Tenure	Interest Range	Balance as at March 31, 2022	Balance as at March 31, 2021
Commercial Paper	31-Mar-22	At Maturity	56 days to 215 days	3.70%-4.95%	9,810	-
Commercial Paper	31-Mar-21	At Maturity	upto 6 months	4.15%	-	3,972

Loan from Bank : Secured*

Nature	Nature of Security	Repayment Term	Tenure	Interest Range	Balance as at March 31, 2022	Balance as at March 31, 2021
Working Capital Demand Loan	Trade Receivables	At Maturity	4 days	4.80%	1,450	-

Loan from related party : Unsecured*

Nature	Repayment Term	Tenure	Interest Range	Balance as at March 31, 2022	Balance as at March 31, 2021
Demand Loan from related party	On Demand	On Demand	6.00%	9	12

* All the borrowings are utlised for the pupose for which there were borrowed
There are no default in repayment of borrowings and interest as on 31 March 2022 and as on 31 March 2021.

3.15 Lease liabilities (at amortised cost)

	As at 31.03.2022	As at 31.03.2021
Balance at the beginning	533	655
Addition	148	82
Finance cost accrued during the period	45	53
Deletion	(6)	(25)
Payment of Lease liabilities	(229)	(232)
Total	**491**	**533**

3.16 Other financial liabilities

	As at 31.03.2022	As at 31.03.2021
Margin Money	938	526
Payable for capital expenditure	3	2
Total	**941**	**528**

In order to secure the performance by the clients of their obligations, commitments and liabilities to the Company, securities are placed as margins by creation of pledge in favour of / transfer to the Company's depository account. Such securities are held by the Company in fiduciary capacity on behalf of its clients and are not recognised in the standalone financial statements. In case such margin is received in form of funds, the same is disclosed under other financial liabilities.

3.17 Provisions

	As at 31.03.2022	As at 31.03.2021
Provisions for employee benefits		
Gratuity (funded)	208	155
Compensated absences (funded)	145	130
Long term incentive plan (unfunded)	125	125
Total	**478**	**410**

3.18 Other Non-Financial Liabilities

	As at 31.03.2022	As at 31.03.2021
Revenue received in advance	14	13
Statutory liabilities	229	197
Employee related expenses payable	234	217
Others	4	5
Total	**481**	**432**

(Currency: ₹ in million)

3.19 Equity share capital

Particulars	As at 31.03.2022		As at 31.03.2021	
	No. of Shares	Amount	No. of Shares	Amount
Authorised Capital				
Equity Shares of par value ₹10/- each	79,644,833	796	79,644,833	796
Preference shares of ₹ 10/- each	10,355,167	104	10,355,167	104
	90,000,000	**900**	**90,000,000**	**900**
Issued, subscribed and fully paid up				
Equity Shares of par value ₹10/- each fully paid up	58,746,178	587	58,746,178	587
	58,746,178	**587**	**58,746,178**	**587**

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

Particulars	As at 31.03.2022		As at 31.03.2021	
	No. of Shares	Amount	No. of Shares	Amount
Equity Shares of par value ₹10/- fully paid up				
Outstanding at the beginning of the year	58,746,178	587	58,746,178	587
Add: Issued during the year	-	-	-	-
Less: Bought back during the year	-	-	-	-
Outstanding at the end of the year	**58,746,178**	**587**	**58,746,178**	**587**

(b) Rights, preferences and restrictions attached to each class of shares including restrictions on the distribution of dividends and the repayment of capital:

The Company has issued only one class of shares (i.e. equity shares) having a par value of ₹10/- per share. Each holder of equity share is entitled to one vote for every share held in the meeting of equity shareholders. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shareholders are entitled to receive dividend as declared from time to time. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In case of liquidation of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, after distribution of all preferential amounts in proportion to the number of equity shares held.

(c) Shares held by Promoters

Particulars	As at 31.03.2022		As at 31.03.2021	
	No. of Shares held	Amount	No. of Shares held	Amount
BNP Paribas SA, Holding company	**42,746,033**	**427**	**42,746,033**	**427**
Human Value Developers Private Limited, Subsidiary of holding company	**16,000,140**	**160**	**16,000,140**	**160**

(d) Shares held by its holding company or subsidiary of holding company:

Particulars	Name & Nature of Relationship	As at 31.03.2022 Amount	As at 31.03.2021 Amount
42,746,033 (March 31, 2021: 42,746,033) equity shares of ₹10/- each	BNP Paribas SA, Holding company	427	427
16,000,140 (March 31, 2021: 16,000,140) equity shares of ₹ 10/- each	Human Value Developers Private Limited, Subsidiary of holding company	160	160

(e) Details of the Shareholders holding more than 5 % of the shares in the Company:

Particulars	As at 31.03.2021		As at 31.03.2021	
	% of Holding	No. of Shares held	% of Holding	No. of Shares held
Equity Shares				
BNP Paribas SA, Holding company	72.76%	42,746,033	72.76%	42,746,033
Human Value Developers Private Limited, Subsidiary of holding company	27.24%	16,000,140	27.24%	16,000,140

(f) For the period of five years immediately preceding the date at which the Balance Sheet is prepared:
(i) Aggregate number and class of shares allotted as fully paid up pursuant to contract without payment being received in cash - Nil
(ii) Aggregate number and class of shares allotted as fully paid up by way of bonus shares - NIL; and
(iii) Aggregate number and class of shares bought back - Nil

(Currency: ₹ in million)

3.20 Other Equity

Particulars	As at 31.03.2022	As at 31.03.2021
Capital Redemption Reserve		
Balance at the end of the year	**30**	**30**
Securities Premium account		
Balance at the end of the year	**4,093**	**4,093**
Retained Earnings		
Balance at the begining of the year	**8,574**	**10,865**
Less: Dividend Paid	(441)	(5,992)
Add: Profit for the year	2,254	3,701
Balance at the end of the year	**10,387**	**8,574**
Other Comprehensive Income		
Balance at the begining of the year	**(66)**	**(58)**
Remeasurement of defined benefit plans	(28)	(10)
Tax on remeasurement of defined benefit plans	7	2
Balance at the end of the year	**(87)**	**(66)**
	14,423	**12,631**

Nature of reserves

a) Capital Redemption Reserve

Capital Redemption Reserve was created by the Company in 2009 when it had bought back its own shares in circumstance that resulted in a reduction of Share capital. It is a reserve that cannot be distributed to the shareholders.

b) Securities premium reserve

Securities premium reserve represent premium on issue of shares. The reserve will be utilised in accordance with the provisions of the Companies Act, 2013.

c) Retained Earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

(Currency: ₹ in million)

3.21 Interest Income

Particulars	Year Ended 31.03.2022	Year Ended 31.03.2021
Interest income on financial asset measured at amortised cost		
- Interest charge to clients	497	357
- Interest on exchange margin funding	863	271
- Interest on deposits with banks	980	794
- Interest on inter-corporate deposits	7	63
- Interest on security deposits	8	7
- Interest on staff loans	2	1
Total	**2,357**	**1,493**

* represents amount less than 1 million

3.22 Dividend Income

Particulars	Year Ended 31.03.2022	Year Ended 31.03.2021
Dividend Income from subsidiaries	12	1,864
	12	**1,864**

3.23 Fee and commission Income

Particulars	Year Ended 31.03.2022	Year Ended 31.03.2021
Brokerage income	8,300	7,328
Management fees from portfolio management services	21	25
Depository income	320	261
Income from initial public offer / mutual fund services	491	298
Referral income	25	-
Total	**9,157**	**7,912**

3.24 Net gain / (loss) on fair value changes

Particulars	Year Ended 31.03.2022	Year Ended 31.03.2021
Net gain/ (loss) on financial instruments at fair value through profit or loss		
(i) On trading portfolio	-	-
(ii) On financial instruments designated at fair value through profit or loss	70	122
Total Net gain/(loss) on fair value changes	**70**	**122**
Fair Value changes:		
-Realised	82	103
-Unrealised	(12)	19
Total Net gain/(loss) on fair value changes	**70**	**122**

3.25 Other income

Particulars	Year Ended 31.03.2022	Year Ended 31.03.2021
Income from shared service costs	9	15
Miscellaneous income	6	10
Total	**15**	**25**

3.26 Finance Cost

Particulars	Year Ended 31.03.2022	Year Ended 31.03.2021
On financial liabilities measured at amortised cost		
Interest on margin deposit	30	20
Interest paid on ICD	32	14
Bank guarantee charges	22	8
Interest on lease liability	45	53
Bank interest *	8	8
Other finance cost	2	2
Discount on commercial paper	358	12
Total	**497**	**117**

* represents amount less than 1 million

(Currency: ₹ in million)

3.27 Fee and Commission expenses

Particulars	**Year Ended 31.03.2022**	**Year Ended 31.03.2021**
Introductory fees	2,322	1,804
Total	**2,322**	**1,804**

3.28 Impairment of financial instruments

Particulars	**Year Ended 31.03.2022**	**Year Ended 31.03.2021**
On financial instruments measured at amortised cost:		
(a) Loans	10	5
(b) Others		
- On trade receivables	(15)	19
- On deposits	13	15
(c) Recovery of bad debt	-	(10)
Total	**8**	**29**

3.29 Employee benefits

Particulars	**Year Ended 31.03.2022**	**Year Ended 31.03.2021**
Salaries and wages	2,403	2,059
Gratuity	44	38
Compensated absences	24	37
Contribution to provident and other funds	130	123
Staff welfare expenses	19	14
Long term incentive plan	49	22
Other employee cost	52	30
	2,721	2,323
Less: Reimbursed from group companies	(51)	(46)
Add: Reimburesd to group companies	13	15
Total	**2,683**	**2,292**

3.30 Depreciation, amortization and impairment

Particulars	**Year Ended 31.03.2022**	**Year Ended 31.03.2021**
Depreciation on property, plant and equipment	219	303
Amortisation on intangible assets	61	74
Depreciation on right -of -use asset	187	191
Total	**467**	**568**

(Currency: ₹ in million)

3.31 Other expenses

Particulars	**Year Ended 31.03.2022**	**Year Ended 31.03.2021**
Rent	12	12
Electricity	50	52
Repairs and maintenance :	-	-
Building	27	24
Machinery	10	14
Others	5	4
Insurance	4	3
Clearing house expenses (includes stamp duty and transaction charges)	776	734
Depository expenses	94	86
Settlement loss #	17	14
Securities and Exchange Board of India fees	12	9
Legal and professional fees	57	51
Information technology related expenses	453	466
Travelling and conveyance	14	35
Communication expenses	35	37
Staff recruitment charges	29	9
Rates and taxes	5	13
Membership and subscriptions	36	42
Net loss on sale of property, plant and equipment	2	1
Bank charges	4	3
Postage, courier, printing and stationery	26	23
Marketing and sales promotion	465	268
Retainership fees	409	351
Corporate Social Responsibility	25	18
Loss on foreign currency transactions (net)*	-	-
Payments to auditors		
Audit fees	4	4
Reimbursement of out of pocket expenses	-	-
Miscellaneous expenses	31	3
Total	**2,602**	**2,276**

* represents amount less than 1 million

\# Settlement loss represents the loss incurred in normal course of the business due to system / employee errors or loss on account of trades not confirmed by clients.

(Currency: ₹ in million)

3.32 Tax reconciliations

A Tax expense from continuing operations

	Year Ended 31.03.2022	Year Ended 31.03.2021
Current tax		
- Current period	786	668
- Changes in estimates related to prior years	11	4
Deferred tax	(19)	(43)
Total	**778**	**629**

Effective tax rate reconciliation

	Year Ended 31.03.2022	Year Ended 31.03.2021
Profit before tax	3,032	4,330
Company's domestic tax rate:	25.17%	25.17%
Tax using the Company's domestic tax rate	763	1,089
Adjustment in respect of current income tax of prior years	11	4
Effect of:		
Non-deductible expenses	7	5
Change in unrecognised temporary differences	-	(469)
Dividend income	(3)	-
TOTAL	**778**	**629**

B Deferred tax asset (net)

Particulars	As at 31.03.2022	As at 31.03.2021
Tax effect of items constituting deferred tax liabilities		
Unrealised gain on securities carried at fair value through profit or loss	(6)	(9)
	(6)	**(9)**
Tax effect of items constituting deferred tax assets		
Property, plant and equipment and intangibles	42	40
Provision for compensated absences, gratuity and other employee benefits	166	145
Provision for impairment loss on receivables, loans and deposits	94	93
Right to use asset and Lease liabilities (net)	14	15
Security Deposit	5	5
	321	**298**
Deferred tax assets (net)	**315**	**289**

<u>Reconciliation</u>

Particulars	As at 31.03.2022	As at 31.03.2021
Opening Balance of Deferred tax	289	243
(Debit) / Credit to Profit & Loss/ retained earnings	19	43
Recognised in/ reclassified from other comprehensive income	7	2
Closing balance of Deferred tax	**315**	**289**

(Currency: ₹ in million)

		Year ended 31.03.2022	Year ended 31.03.2021
4	**Earnings per share ('EPS')**		
	The computation of EPS is given below :		
	Profit for the year from total operations	2,254	3,701
	a) Basic EPS		
	Number of shares at the beginning of the year	58,746,178	58,746,178
	Total number of equity shares outstanding as at year end	58,746,178	58,746,178
	Weighted average number of equity shares outstanding during the year	58,746,178	58,746,178
	Basic earnings per equity share from total operations (in ₹)	**38.37**	**63.00**
	b) Diluted EPS		
	Weighted average number of equity shares outstanding during the year	58,746,178	58,746,178
	Weighted average number of diluted equity shares	58,746,178	58,746,178
	Diluted earnings per equity share from total operations (in ₹)	**38.37**	**63.00**

5 Contingent liabilities

(to the extent not provided for)

The company has contingent liabilities of ₹29 (31st March, 2021: ₹28) in respect of income tax matters .The Company has reviewed all its pending litigations and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in its standalone financial statements.

		As at 31.03.2022	As at 31.03.2021
6	**Capital commitments** *(to the extent not provided for)*		
	Estimated value of contracts in capital account to be executed and not provided for (net of capital advances ₹10 (31 March 2021: ₹ 15))	38	32

7 Intangible assets

Goodwill

The goodwill represents the amount paid by the Company, for acquisition of business of franchisees, over and above the fair value of tangible assets.

Non-compete fees

The non-compete fees represents the amount paid by the Company to respective franchisees for not undertaking any transactions of purchase and sale of securities on any stock exchange for, or on behalf of any clients, through any stock broker other than the Company for the period mutually agreed.

8 Operating leases - Ind AS 116

Assets taken on Lease :

Maturity Analysis of Lease Liabilities

The Company has taken office premises on operating lease.

Contractual undiscounted cash flows	As at 31.03.2022	As at 31.03.2021
In less than a year	187	213
In 1 year to 5 years	554	407
In more than 5 years	31	23
Total undiscounted lease liabilities	**772**	**643**
Lease liabilities included in the statement of financial position	**491**	**533**
Current	152	173
Non-current	339	360

Amount recognised in profit or loss

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
Depreciation on right -of -use asset	187	191
Interest on lease liabilities	45	53
Expenses relating to short-term leases	12	12
	244	**256**

(Currency: ₹ in million)

9 Employee retirement benefits

A. Defined contribution plans

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident Fund which is a defined contribution plan. The Company has no other obligations. The contribution is charged to the statement of profit and loss as it accrues. The amount recognised as an expense towards contribution to Provident Fund for the year are summarised below.

	31.03.2022	31.03.2021
Company's contribution to:		
Provident Fund	130	123
	130	**123**

B. Defined benefit plan

Retirement Gratuity (Funded)

The Company has a defined benefit gratuity plan in India (funded). Gratuity is a lump sum plan. The company's defined benefit gratuity plan is a final salary plan for employees, which requires contributions to be made to a separately administered fund. The fund is managed by an insurance company and the assets are invested in their unit linked group gratuity product. The Trustees are responsible for the investment of the assets of the Trust as well as the day to day administration of the scheme.

The Company accounts for the liability for gratuity benefits payable in the future based on an actuarial valuation. Actuarial gains/losses are recognized in the period of occurrence under Other Comprehensive Income (OCI). The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plans:

	31.03.2022	31.03.2021
Principal actuarial assumptions a the balance sheet date :		
Mortality table	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Discount rate	6.10%	6.00%
Salary escalation (p.a.)	10.00%	10.00%
Employee attrition rate	20.00%	20.00%
Changes in the defined benefit obligation :		
Opening defined benefit obligation	391	344
Current service cost	36	31
Past service cost	-	-
Interest on defined benefit obligation	22	20
Acquisition (credit)/cost	1	(4)
Remeasurements due to:		
Actuarial loss / (gain) arising from changes in financial assumptions	(7)	5
Actuarial loss / (gain) arising from changes in demographic assumptions	-	-
Actuarial loss / (gain) arising on account of experience changes	32	11
Benefits paid	(20)	(16)
Closing defined benefit obligation	**455**	**391**
Change in fair value of plan assets :		
Opening fair value of plan assets	236	217
Contribution by employer	-	-
Interest on plan asset	14	13
Remeasurements due to:		-
Actual return on plan assets less interest on plan assets	(3)	6
Benefits paid	-	-
Fair value of plan assets as at end of the year	**247**	**236**
Amount recognised in Balance Sheet :		
Present value of funded defined benefit obligation	455	391
Fair value of plan assets	(247)	(236)
Net liability recognised in Balance Sheet	**208**	**155**
Profit and loss account expense :		
Current service cost	36	31
Past service cost	-	-
Interest on net defined liability	8	7
Total expense charged to profit and loss account	**44**	**38**

(Currency: ₹ in million)

9 Employee retirement benefits *(Continued)*

B. Defined benefit plan *(Continued)*	**31.03.2022**	**31.03.2021**
Principal actuarial assumptions a the balance sheet date *(Continued)* :		
Amount recorded in Other Comprehensive Income (OCI)		
Remeasurements during the period due to:		
Changes in financial assumptions	(7)	5
Changes in demographic assumptions	-	-
Experience adjustments	32	11
Actual return on plan assets less return on plan assets	3	(6)
Amount recognised in OCI	**28**	**10**
Category of Assets		
Investments quoted in active market	247	236
Unquoted investments :		
Insurer managed funds	-	-
	247	**236**

Sensitivity Analysis :

The following table summarizes the change in defined benefit obligation and impact in percentage terms compared with the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption by 100 basis points.

	31.03.2022	**31.03.2021**
Projected Benefit Obligation on Current Assumptions	455	391
Delta Effect of +1% Change in Rate of Discounting	(18)	(16)
Delta Effect of -1% Change in Rate of Discounting	20	18
Delta Effect of +1% Change in Rate of Salary Increase	15	14
Delta Effect of -1% Change in Rate of Salary Increase	(15)	(13)
Delta Effect of +1% Change in Rate of Employee Turnover	(2)	(3)
Delta Effect of -1% Change in Rate of Employee Turnover	3	3

Method used for sensitivity analysis: The sensitivity results above determine their individual impact on the Plan's end of year Defined Benefit Obligation. In reality, the Plan is subject to multiple external experience items which may move the Defined Benefit Obligation in similar or opposite directions, while the Plan's sensitivity to such changes can vary over time.

Projected Plan Cash Flow :

The table below shows the expected cash flow profile of the benefits to be paid to the current membership of the plan based on past service of the employees as at the valuation date :

Maturity Profile		
Expected benefits for year 1	90	73
Expected benefits for year 2	93	71
Expected benefits for year 3	89	71
Expected benefits for year 4	77	67
Expected benefits for year 5	77	60
Expected benefits for 6 to 10 years	288	245
Beyond 10 years	-	-

Risk Associated with Defined Benefit Plan

Gratuity is a defined benefit plan and is exposed to the following risks :

Interest Rate Risk : The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

Salary Inflation Risk : Higher than expected increases in salary will increase the defined benefit obligation.

Demographic Risk: This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

Investment Risk and Asset Liability Risk : The fund value is subject to market risk as the price of the units may go up or down on any given day. Although we know that the fund manager invests the funds as per products approved by IRDA and investment guidelines as stipulated under section 101 of IT Act, the exact asset mix is unknown and not publicly available. The trust assets managed by the fund manager are highly liquid in nature and we do not expect any significant liquidity risks.

During the year, there were no plan amendments, curtailments and settlements.

C. Other long term benefits

1) Amount recognised as a liability in respect of compensated leave absence as per actuarial valuation as on 31st March, 2022 is ₹ 145 (31st March, 2021 - ₹ 130).

2) Amount recognised as a liability in respect of long term incentive plan as per management estimates / actuarial valuation as on 31st March, 2022 is ₹125 (31st March 2021 - ₹ 125)

(Currency: ₹ in million)

10 Disclosures pursuant to Ind AS 115 "Revenue from Contracts with Customers"

Set out below is the disaggregation of the Group's revenue from contracts with customers and reconciliation to profit and loss account:

Particulars	For the year ended 31st March, 2022					For the year ended 31st March, 2021				
	Brokerage income	**Management fees from portfolio management services**	**Depository income**	**Income from other services**	**Total**	**Brokerage income**	**Management fees from portfolio management services**	**Depository income**	**Income from other services**	**Total**
Total revenue from operations	8,300	21	320	516	9,157	7,328	25	261	298	7,912
Geographical markets:										
India	8,300	21	320	516	9,157	7,328	25	261	298	7,912
Outside India	-	-	-	-	-	-	-	-	-	-
Total revenue from operations	**8,300**	**21**	**320**	**516**	**9,157**	**7,328**	**25**	**261**	**298**	**7,912**
Timing of revenue recognition:										
Services transferred at a point in time	8,300	21	320	516	9,157	7,328	25	261	298	7,912
Services transferred over time	-	-	-	-	-	-	-	-	-	-
Total revenue from operations	**8,300**	**21**	**320**	**516**	**9,157**	**7,328**	**25**	**261**	**298**	**7,912**

Contract balances:	**As at 31st March, 2022**	**As at 31st March, 2021**
Trade receivables	2,407	2,796
Contract assets	-	-
Contract liabilities	-	-
Revenue recognised in the period from:		
Amounts included in contract liability at the beginning of the period	-	-
Performance satisfied in previous periods	-	-

Information of Revenue from Major customers

There are no customer contributing in excess of 10% of the total revenue of the Company.

(Currency: ₹ in million)

11 Maturity analysis of assets and laibilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled. With regard to loans and advances to customers, the Company uses the same basis of expected repayment behaviour as used for estimating the EIR.

Particulars	As at March 31, 2022			As at March 31, 2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial Assets						
Cash and cash equivalents	3,175	-	3,175	4,973	-	4,973
Bank Balance other than cash and cash equivalents	26,590	-	26,590	16,627	6	16,633
Trade receivables	2,407	-	2,407	2,796	-	2,796
Other Receivables	988	-	988	1,013	-	1,013
Loans	9,130	1	9,131	3,975	2	3,977
Investments	2,099	4,818	6,917	2,343	4,818	7,161
Other financial assets	71	125	196	39	181	220
Non-financial assets						
Current tax assets (Net of provision for tax)	-	97	97	-	100	100
Deferred tax assets (net)	-	315	315	-	289	289
Property, Plant and Equipment	-	700	700	-	848	848
Capital work-in-progress	9	-	9	16	-	16
Other intangible assets	-	64	64	74	-	74
Right to use asset	175	260	435	292	180	472
Other non financial assets	166	50	216	125	48	173
	-			-		
Total Assets	**44,810**	**6,430**	**51,240**	**32,272**	**6,473**	**38,745**
Financial Liabilities						
Trade payables						
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	7	-	7
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	22,492	-	22,492	19,479	-	19,479
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	2	-	2	-	-	-
Borrowing (Other than Debt securities)	11,269	-	11,269	3,984	-	3,984
Lease Liabilities	152	339	491	173	360	533
Other financial liabilities	941	-	941	528	-	528
Non-financial liabilities						
Current tax liabilities (Net of advance tax)	76	-	76	154	-	154
Provisions	68	410	478	56	354	410
Other non-financial liabilities	481	-	481	432	-	432
Total Liabilities	**35,481**	**749**	**36,230**	**24,813**	**714**	**25,527**
Net	9,329	5,681	15,010	7,459	5,759	13,218

(Currency: ₹ in million)

12 Disclosure on Financial Instruments

A. Accounting classification and fair values

The following tables presents the carrying value and fair value of each category of financial assets and liabilities as at March 31, 2022 and March 31, 2021.

As at 31st March, 2022

Particulars	Financial instruments at amortised cost	Fair value through profit or loss	Fair value through other comprehensive income	Total
Financial Assets				
Cash and cash equivalents	3,175	-	-	3,175
Bank Balance other than cash and cash equivalents	26,590	-	-	26,590
Trade receivables	2,407	-	-	2,407
Other receivables	988	-	-	988
Loans	9,131	-	-	9,131
Investments	4,818	2,099	-	6,917
Other financial assets	196	-	-	196
	47,305	**2,099**	**-**	**49,404**
Financial Liabilities				
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	22,492	-	-	22,492
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	2	-	-	2
Borrowing (Other than Debt securities)	11,269			11,269
Lease Liabilities	491	-	-	491
Other financial liabilities	941	-	-	941
	35,195	**-**	**-**	**35,195**

As at 31st March, 2021

Particulars	Financial instruments at amortised cost	Fair value through profit or loss	Fair value through other comprehensive income	Total
Financial Assets				
Cash and cash equivalents	4,973	-	-	4,973
Bank Balance other than cash and cash equivalents	16,633	-	-	16,633
Trade receivables	2,796	-	-	2,796
Other receivables	1,013	-	-	1,013
Loans	3,977	-	-	3,977
Investments	4,818	2,343	-	7,161
Other financial assets	220	-	-	220
	34,430	**2,343**	**-**	**36,773**
Financial Liabilities				
Trade payables				-
(i) total outstanding dues of micro enterprises and small enterprises	7	-	-	7
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	19,479	-	-	19,479
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	-	-	-	-
Borrowing (Other than Debt securities)	3,984			3,984
Lease Liabilities	533			533
Other financial liabilities	528	-	-	528
	24,531	**-**	**-**	**24,531**

Investments in mutual funds are mandatorily classified as fair value through statement of profit and loss.

12 Disclosure on Financial Instruments *(Continued)*

B. Fair Value Heirarchy

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consist of the following three levels:

Level 1 - Quoted prices in an active market: This level of hierarchy includes financial assets and liabilities that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Valuation techniques with observable inputs: This level of hierarchy includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e.; as prices) or indirectly (i.e.; derived from prices).

Level 3 - Valuation techniques with significant unobservable inputs: This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

The financial instruments included in Level 2 of fair value hierarchy have been valued using quotes available for similar assets and liabilities in the active market.

The following table summarises financial assets and liabilities measured at fair value on a recurring basis and the financial asset and liabilities that are not measured at fair value are measured at amortised cost on recurring basis.

As at March 31, 2022

	Level 1	**Level 2**	**Level 3**
Financial Assets			
Investments in mutual funds	-	2,059	-
Investments in other funds	-	40	-
	-	**2,099**	**-**

As at March 31, 2021

	Level 1	**Level 2**	**Level 3**
Financial Assets			
Investments in mutual funds	-	2,304	-
Investments in other funds	-	39	-
	-	**2,343**	**-**

The following table shows the valuation techniques used in measuring Level 1, Level 2 and Level 3 fair values for financial instruments measured at fair value in the balance sheet, as well as the significant unobservable inputs used.

Type	**Valuation technique**
Investments in mutual funds	Published Net Asset Value
Investments in other funds	Published Net Asset Value

There have been no transfers between Level 1 and Level 2 for the years ended 31st March, 2022 and 31st March, 2021.

(Currency: ₹ in million)

13 Financial instruments and associated risks

The Company has exposure to the following risks from its use of financial instruments:
a) market risk
b) credit risk
c) interest rate risk
d) liquidity risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the related impact in the standalone financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

a) Market risk

Market risk is the risk of any loss in future earnings, in realisable fair values or in future cash flows that may result from a change in the price of a financial instrument. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Foreign currency exchange rate risk

The Company's functional currency is Indian Rupees (INR). Majority of the Company transactions are undertaken in INR. The Company has foreign currency trade payables and deposits and is therefore exposed to some foreign exchange risk.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

Foreign currency risk exposure:
The Company's exposure to foreign currency risk at the end of the reporting period expressed in INR are as follows :

		As at 31-Mar-22		As at 31-Mar-21	
		Foreign Currency	INR in million	Foreign Currency	INR in million
Financial assets					
Deposits	USD	3,142.86	0.22	3,143	0.22
Deposits	AED	56,250.00	1.15	56,250	1.11
Cash and cash equivalent	AED	74,933.85	1.55	15,749	0.31
	TOTAL	**134,326.71**	**2.92**	**75,141.77**	**1.64**

Sensitivity analysis

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

Particulars	**INR in million**			
	Year ended 31-Mar-22		**Year ended 31-Mar-21**	
	1% strengthening	**1% weakening**	**1% strengthening**	**1% weakening**
USD	0.00	(0.00)	0.00	(0.00)
AED	0.03	(0.03)	0.01	(0.01)

b) Credit risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss to the Company. As Company is a stock broking Company, Company's credit risk arises principally from the trade receivables and margin funding to trading clients.
Majority of company's receivables and full margin funding is secured with the security cover in the form of securities.
Credit risk also arises from cash and cash equivalents and deposits held. Such assets are held majorly with reputable financial institutions and stock exchanges.

c) Interest rate risk

Interest rate risk is the risk of any loss in future earnings, in realisable fair values or in future cash flows that may result from a change in the interest rate. To effectively counter interest rate risk, the Company has diversified its portfolio of yielding assets, within the applicable regulatory requirements. Further majority of yielding assets of the Company are short tenured with maturity of a year or less, thereby minimising interest rate risk.

(Currency: ₹ in million)

13 Financial instruments and associated risks *(Continued)*

d) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company invests its surplus funds in bank fixed deposits and in liquid mutual funds, which carry no or low market risk.

The following are the contractual maturities of financial liabilities:

	31-Mar-22			
	Less then one year	**Between one to five years**	**More than five years**	**Total**
Trade payables	22,377	115	-	22,492
Other payables	2	-	-	2
Borrowing (Other than Debt securities)	11,269	-	-	11,269
Lease Liabilities	152	328	11	491
Other financial liabilities	941	-	-	941
	34,741	**443**	**11**	**35,195**

	31-Mar-21			
	Less then one year	**Between one to five years**	**More than five years**	**Total**
Trade payables	19,304	182	-	19,486
Other payables	-	-	-	-
Borrowing (Other than Debt securities)	3,984			3,984
Lease Liabilities	173	339	21	533
Other financial liabilities	528	-	-	528
	23,989	**521**	**21**	**24,531**

(Currency: ₹ in million)

14 Related parties

A Related parties where control exists

a. Holding company
BNP Paribas SA

b. Subsidiary companies
1 Sharekhan Commodities Private Limited (SCPL)
2 Sharekhan BNP Paribas Financial Services Limited (SFSL) (*Formerly Sharekhan BNP Paribas Financial Services Private Limited*)
3 Wealthtiger Investment Advisors Private Limited (WTIAPL)
4 Espresso Financial Services Private Limited w.ef 10th June 2020 *(Formerly Sharekhan Comtrade Private Limited)* (EFSPL)

c. Sub - subsidiary companies
1 Sharekhan.com India Private Limited (SK.com)
2 Sharekhan Consultants Private Limited (SKCPL)

B Other related parties

a. Fellow subsidiaries with whom transactions have taken place
1 BNP Paribas Wealth Management India Pvt. Ltd.
2 BNP Paribas Asset Management India Pvt Ltd
3 BNP Paribas Net limited
4 BNP Paribas Procurement Tech Pvt Ltd
5 Arval India Private Limited

b. Investing entity in which reporting entity is an Associate
Human Value Developers Private Limited. (Subsidiary of BNP Paribas SA)

c. Trust set up by Ultimate Holding Company
BNP Paribas India Foundation

d. Key management personnel ('KMP')
1 Shankar Vailaya (upto July 20, 2021) (Whole Time Director)
2 Jaideep Arora (Whole Time Director & CEO)
3 Stefan Groening (Whole Time Director & COO)
4 Jean Christophe Gougeon (Whole Time Director)
5 Parminder Varma (w.e.f. March 25, 2022) (Whole Time Director)

e. Relatives of KMP
1 Sridhar Vailaya (upto July 20, 2021) (Brother of Shankar Vailaya)

14 Related parties (*Continued*)

C Transactions with related parties

	With Holding Company		With subsidiary companies		Trust		With Fellow Subsidiaries		Entity in which reporting entity is an Associate		With KMP		With relatives of KMP		Total	
	31 March 2022	31 March 2021	**31 March 2022**	31 March 2021	**31 March 2022**	31 March 2021	**31 March 2022**	31 March 2021	**31 March 2022**	31 March 2021	**31 March 2022**	31 March 2021	**31 March 2022**	31 March 2021	**31 March 2022**	31 March 2021
Brokerage earned	-	-	-	*	-	-	-	-	-	-	*	*	-	0	*	*
Depository income	*	-	-	-	-	-	-	-	-	-	*	*	*	*	*	*
Income from mutual fund services - BNP Paribas Asset Management India Private Limited	-	-	-	-	-	-	63	44	-	-	-	-	-	-	63	44
Dividend income	-	-	12	1,864	-	-	-	-	-	-	-	-	-	-	12	1,864
- WTIPL	-	-	12	3	-	-	-	-	-	-	-	-	-	-		
- SFSL	-	-	-	703	-	-	-	-	-	-	-	-	-	-		
- SCPL	-	-	-	1,158	-	-	-	-	-	-	-	-	-	-		
Income from shared service costs received from EFSPL	-	-	9	15	-	-	-	-	-	-	-	-	-	-	9	15
Dividend Paid	321	4,360	-	-	-	-	-	-	120	1,632	-	-	-	-	441	5,992
Introductory fees paid to BNP Paribas Wealth Management Private Limited	-	-	-	-	-	-	-	28	-	-	-	-	-	-	-	28
Received towards reimbursement of expenses from	-	-	126	52	-	-	-	-	-	-	-	-	-	-	126	52
- SFSL	-	-	4	4	-	-	-	-	-	-	-	-	-	-		
- SK.com	-	-	15	11	-	-	-	-	-	-	-	-	-	-		
- WTIPL	-	-	1	1	-	-	-	-	-	-	-	-	-	-		
- EFSPL	-	-	106	36	-	-	-	-	-	-	-	-	-	-		
Paid towards reimbursement of expenses to	-	-	13	20	-	-	-	-	-	-	-	-	-	-	13	20
- EFSPL	-	-	13	20	-	-	-	-	-	-	-	-	-	-		
- SFSL	-	-	-	*	-	-	-	-	-	-	-	-	-	-		
Training Expenses	*	*	-	-	-	-	-	-	-	-	-	-	-	-	*	*
Software expense	22	-	-	-	-	-	11	6	-	-	-	-	-	-	33	6
- BNP Paribas SA	22	-	-	-	-	-	-	-	-	-	-	-	-	-		
- BNP Paribas Net limited	-	-	-	-	-	-	2	6	-	-	-	-	-	-		
- BNP Paribas Procurement Tech Pvt Ltd	-	-	-	-	-	-	9	-	-	-	-	-	-	-		
Travel Expense	-	27	-	-	-	-	-	*	-	-	-	-	-	-	-	27
- BNP Paribas SA	-	27	-	-	-	-	-	-	-	-	-	-	-	-		
- Arval India Private Limited	-	-	-	-	-	-	-	*	-	-	-	-	-	-		
Miscelleneous Expense	15	*	*	1	-	-	*	-	-	-	-	-	-	-	15	1
- BNP Paribas SA	15	*	-	-	-	-	-	-	-	-	-	-	-	-		
- WTIPL	-	-	*	-	-	-	-	-	-	-	-	-	-	-		
- BNP Paribas Net limited	-	-	-	-	-	-	*	-	-	-	-	-	-	-		
- BNP Paribas Procurement Tech Pvt Ltd	-	-	-	-	-	-	*	-	-	-	-	-	-	-		
- EFSPL	-	-	-	1	-	-	-	-	-	-	-	-	-	-		
Other allowance expat	10	12	-	-	-	-	-	-	-	-	-	-	-	-	10	12
Membership Expense paid to BNP Paribas Procurement Tech Pvt Ltd.	-	-	-	-	-	-	1	-	-	-	-	-	-	-	1	-
Corporate Social Responsibilty expenditure	-	-	-	-	25	18	-	-	-	-	-	-	-	-	25	18
Interest income	-	-	7	63	-	-	-	-	-	-	-	-	-	-	7	63
- SFSL	-	-	6	62	-	-	-	-	-	-	-	-	-	-		
- EFSPL	-	-	1	1	-	-	-	-	-	-	-	-	-	-		
Interest expense paid to SFSL	-	-	32	14	-	-	-	-	-	-	-	-	-	-	32	14
Margin money received from SK.com	-	-	2	2	-	-	-	-	-	-	-	-	-	-	2	2
Margin money paid to SK.com	-	-	2	3	-	-	-	-	-	-	-	-	-	-	2	3
Remuneration paid to KMPs	-	-	-	-	-	-	-	-	-	-	175	184	-	-	175	184
Loan given to	-	-	19,301	33,291	-	-	-	-	-	-	-	-	-	-	19,301	33,291
- SFSL	-	-	18,674	32,875	-	-	-	-	-	-	-	-	-	-		
- EFSPL	-	-	627	416	-	-	-	-	-	-	-	-	-	-		
Loan received back	-	-	19,297	33,589	-	-	-	-	-	-	-	-	-	-	19,297	33,589
- SFSL			18,674	33,199												
- EFSPL			623	390												
Loan taken from SFSL	-	-	17,424	14,151	-	-	-	-	-	-	-	-	-	-	17,424	14,151
Loan repaid to SFSL	-	-	17,427	14,139	-	-	-	-	-	-	-	-	-	-	17,427	14,139
Balances					-	-	-	-								-
Trade payables	26	4	*	*	-	-	1	12	-	-	-	-	-	-	27	16
- BNP Paribas SA	26	4	-	-	-	-	-	-	-	-	-	-	-	-		
- BNP Paribas Net limited	-	-	-	-	-	-	*		-	-	-	-	-	-		
- BNP Paribas Procurement Tech Pvt Ltd	-	-	-	-	-	-	1		-	-	-	-	-	-		
- EFSPL	-	-	*	*	-	-			-	-	-	-	-	-		
- BNP Paribas Wealth Management India Pvt. Ltd.	-	-	-	-	-	-	-	12	-	-	-	-	-	-		
- BNP Paribas Asset Management India Pvt Ltd	-	-	-	-	-	-	-	*	-	-	-	-	-	-		
Other receivables	-	-	8	31	-	-	5	-	-	-	-	-	-	-	13	31
- EFSPL	-	-	8	31	-	-	-	-	-	-	-	-	-	-		
- SK.com	-	-	*	-	-	-	-	-	-	-	-	-	-	-		
- BNP Paribas SA	-	-	*	-	-	-	-	-	-	-	-	-	-	-		
- BNP Paribas Asset Management India Pvt Ltd	-	-	-	-	-	-	5	-	-	-	-	-	-	-		
Loan Receivable from EFSPL	-	-	30	26	-	-	-	-	-	-	-	-	-	-	30	26
Loan Payable to SFSL	-	-	9	12	-	-	-	-	-	-	-	-	-	-	9	12
Bank Balance	2,721	4,524	-	-	-	-	-	-	-	-	-	-	-	-	2,721	4,524

* represents amount less than 1 million

Note:

During the year, there was no material transaction with any related parties as per the Related Party Transactions Policy of the Company and all the related party transactions entered into by the Company were in the ordinary course of business and on an arm's length basis.

(Currency: ₹ in million)

15 Corporate Social Responsibility (CSR)

As per the provisions of the Section 135 of the Act,

a Gross amount required to be spent by the Company during the year ₹ 25 (31 March 2021: ₹18)

b

Amount spent during the year ending on 31 March 22	Amount Spent	Provision during the year	Total
i) Construction/acquisition of any asset	-	-	-
ii) On the purpose other than (i) above	25	-	25

Amount spent during the year ending on 31 March 21	Amount Spent	Provision during the year	Total
i) Construction/acquisition of any asset	-	-	-
ii) On the purpose other than (i) above	18	-	18

c There are no previous year's shortfall amounts.

d Full CSR amount has been contribution to BNP Paribas India Foundation which is classified as related party under Ind AS 24 - "Related Party Disclosures".

16 Segment Reporting

As per Ind AS 108 - Operating Segments, if a financial report contains both the consolidated financial statements of a parent that is within the scope of this Ind AS as well as the parent's separate financial statements, segment information is required only in the consolidated financial statements. Accordingly, information required to be presented under Ind AS 108 - Operating Segments has been given in the consolidated financial statements of Sharekhan Limited.

17 During the FY 2015-16 the Company had made a post facto application to the Foreign Investment Promotion Board (FIPB) for their approval for -

1. Carrying on the commodities brokerage business through subsidiary and the depository services business by itself while there was investment made by foreign investors from time to time in Sharekhan.

2. Investment in Sharekhan by IDFC since IDFC was regarded as a foreign owned company from March 2011 till March 2014.

3. Investment in Human Value Developers Private Limited by IDFC since IDFC was regarded as a foreign owned company from March 2011 till March 2014, and

4. Downstream investment made by Human Value Developers Private Limited in 2007 in M/s Sharekhan Limited.

The Company's application was approved in the meeting of the FIPB on 30th October 2015, and the FIPB had directed the Company to approach Reserve Bank of India (RBI) for compounding the above irregularities. The Company had filed an application with RBI on 10th December 2015 and provided relevant explanation. RBI has returned the application of the Company stating that the violations are being finalized with the FIPB. The Company is awaiting further directions from the RBI. Under the circumstances, the potential compounding penalty, if any, is not ascertainable, the management is of the opinion that the potential liability in this regard shall not be material.

18 The Company has a process whereby periodically all long term contracts, if any, are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision as required under any law / accounting standards for material foreseeable losses on such long term contracts, if any has been made in the books of account.

19 Due to micro and small suppliers

Under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED) which came into force from 2 October 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. On the basis of the information and records available with the management, the following disclosures are made for the amounts due to the Micro, Small and Medium enterprises, who have registered with the competent authorities.

	31.03.2022	31.03.2021
Principal amount remaining unpaid to any supplier as at the year end	Nil	7
Interest due thereon	Nil	Nil
Amount of interest paid by the Company in terms of section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during the accounting year	Nil	Nil
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 MSMED Act	Nil	Nil
Amount of interest accrued and remaining unpaid at the end of the accounting year	Nil	Nil
Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises, for the purpose of disallowance of a deductible expenditure under Section 23 of the MSMED Act	Nil	Nil

20 Information related to disclosures prescribed under Schedule III of Act 2013, which are not applicable to the Company have not been disclosed above.

21 Capital Management

Equity share capital and other equity are considered for the purpose of Company's capital management. The Company manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to the Shareholders. The capital structure of the Company is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investor and market confidence. The funding requirements are met through equity and operating cash flows generated. The management monitors the return on capital and the Board of Directors monitors the level of dividends to shareholders of the Company. The Company may take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

22 The remuneration paid to the whole time directors of the Company for the year ended March 31, 2022 is within the limits prescribed under section 197 read with Schedule V of the Act.

(Currency: ₹ in million)

23 Dividend

The Board of directors of the Company at its meeting held on May 28, 2021 declared an interim dividend of INR 7.50/- per equity share (fully paid up) which was paid during the period.The total payout on account of the equity dividend will be ₹ 397 million(31st March, 2021 - ₹ 5,434 (excluding Tax deducted at Source of ₹ 44 (31st March, 2021 - ₹ 558)).

24 Financial Information:

Pursuant to Regulation 52(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, SEBI's Operational circular SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021 to the extent applicable to Commercial Papers, information as required for the year ended March 31, 2022 in respect of Commericial Papers of the Company is as mentioned below:

A. Details of Credit Rating:

Rating Agency	ICRA Limited	CARE Ratings
Rating	ICRA A1+	CARE A1+

B. Key Financial Information

Particulars	Year ended 31 March 2022
Debt Equity Ratio	0.75
Debt Service Coverage Ratio	0.30
Interest Service Coverage Ratio	8.73
Outstanding redeemable preference shares	Nil
Capital redemption reserve (INR in million)	30
Debenture Redemption Reserve	Nil
Net Worth (INR in million)	15,010
Net Profit after tax (INR in million)	2,254
Earnings per share (Basic / Diluted) (INR)	38.37
Current ratio	1.26
Long term debt to working capital ratio	Nil
Bad debts to Account receivable ratio	Nil
Current liability ratio	0.69
Total debts to total assets	0.22
Debtors turnover ratio	3.52
Inventory turnover ratio	Not Applicable
Operating margin (%)	26%
Net profit margin (%)	19%

Formula for computation of Ratios are as follows:

1. Debt Equity Ratio = Debt (Borrowings + Accrued interest) / Equity (Equity share capital + Other Equity)
2. Debt Service Coverage Ratio = Profit before interest and tax (excludes interest costs on leases as per Ind AS 116 on Leases / (Interest expenses (excludes interest costs on leases as per Ind AS 116 on Leases) + Outstanding borrowing)
3. Interest Service Coverage Ratio = Profit before interest and tax (excludes interest costs on leases as per Ind AS 116 on Leases / Interest expenses (excludes interest costs on leases as per Ind AS 116 on Leases)
4. Net Worth = Equity Share capital + Other Equity
5. Company does not have any Long Term Debt and hence the ratio is Nil
6. Debtors Turnover Ratio = Fee and Commission Income / Average Trade Receivables
7. Operating Margin = Profit before tax / Total Revenue from operations
8. Net Profit Margin = Profit after tax / Total Revenue from operations

25 Additional regulatory information required under (WB) (xvi) of Division III of Schedule III amendment, disclosure of ratios, is not applicable to the Company as it is in broking business and not an NBFC registered under Section 45-IA of Reserve Bank of India Act, 1934.

26 Other statutory information

(i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.

(ii) The Company does not have any transactions with companies struck off.

(iii) The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.

(iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(vi) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(vii) The Company has not entered into any such transaction which is not recorded in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

(viii There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act, 2013.

(ix) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act, 2013 (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act.

(Currency: ₹ in million)

27 Subsequent events

There are no significant subsequent events that would require adjustments or disclosures in the standalone financial statements as on the balance sheet date.

28 The standalone financial statements are authorised for issue by the Board of Directors on 24th May, 2022.

29 Figures for the previous year have been regrouped / reclassified wherever necessary, to conform with the current year's classification in order to comply with the requirements of the amended Schedule III of the Companies Act, 2013.

For Kalyaniwalla & Mistry LLP
Chartered Accountants
Firm Registration No. : 104607W / W100166

Sd/-
Roshni R. Marfatia
Partner
Membership no. : 106548

Mumbai
Date : 24 May 2022

For and on behalf of the Board of directors of
Sharekhan Limited
CIN: U99999MH1995PLC087498

Sd/-
Jaideep Arora
CEO & Whole Time Director
DIN: 00056252

Sd/-
Stefan Groening
Whole Time Director
DIN: 07657587

Sd/-
Sumeet Chugh
Chief Financial Officer

Sd/-
Vijay Sakali
Company Secretary
FCS No: 11793

Mumbai
Date : 24 May 2022

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SHAREKHAN LIMITED

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying consolidated Ind AS financial statements of **Sharekhan Limited** ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), as listed in Annexure 1, which comprise the Consolidated Balance Sheet as at March 31, 2022, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated Ind AS financial statements, including 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 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2022, the consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group 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 consolidated financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 22 to the consolidated financial statements relating to compounding application submitted by the Holding Company to Reserve Bank of India ('RBI') as directed by and pursuant to post facto approval for certain non-compliances, by foreign Investment Promotion Board ('FIPB'). The outcome of RBI's decision is pending and currently unascertainable.

Our opinion is not modified in respect of the above matter.

Key Audit Matters

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

Description of Key Audit Matters and how the matter was addressed in our audit

1. Information Technology (IT) - IT systems and controls

The Holding Company's key financial accounting and reporting processes are dependent on the automated controls in information systems, such that there exists a risk that gaps in the IT control environment could impact the financial accounting and reporting significantly. The Holding Company uses Hercules and Eternity systems as the General Ledger for overall financial reporting which is interfaced with other web based applications and IT systems which process transactions, which impacts significant account balances.

We have identified 'IT systems and controls' as Key audit matter since for revenue recognition (brokerage and interest income), the Holding Company relies on automated processes and controls for recording of revenue.

We have focused on IT General Controls (ITGC) (i.e. access management controls, change management controls, logical security controls, back-up and continuity controls and IT operations control) and IT application controls (ITAC) (i.e. controls on system reconciliation, system generated reports and system application controls over key financial accounting and reporting systems).

Our audit procedures to assess the effectiveness of IT systems included the following:

- Obtaining an understanding of entity's IT environment and key changes if any during the audit period that may be relevant to the audit
- Performed walkthroughs to evaluate the design and implementation of key automated controls. Involved our IT specialist to test the effectiveness of identified IT automated controls and IT systems. IT specialist tested relevant key controls operating over IT in relation to financial accounting and reporting systems, including IT general controls.
- IT specialists tested design and operating effectiveness of key controls over access management which includes granting access right, new user creation, removal of user rights and other preventive controls.
- For a selected group of key controls over financial and reporting system, IT specialists independently performed procedures. The procedures were to determine that these controls remained unchanged during the year or were changed following the standard change management process.
- Other independently assessed areas included password policies, security configuration, system generated reports and application interface controls.
- Evaluating the design, implementation and operating effectiveness of identified significant accounts related IT automated controls which are relevant for accuracy of system logic and consistency of data transmission.

Based on procedures performed above, wherever required, we extended our audit procedures over other IT application controls, periodic reconciliations, manual approval processes, tests on identified key changes and additional substantive testing.

2. Impairment of Financial assets (Expected Credit Loss Allowances) applied in the subsidiary company

Ind AS 109 requires the subsidiary company to recognize the impairment loss allowance towards its financial assets using the expected credit loss approach. Such allowances are required to be measured considering the guiding principles of Ind AS 109.

The determination of impairment loss allowance is judgmental and relies on the management's best estimates due to the following:

- Internal indicators of impairment to classify loan under various stages.
- Criteria selected to identify significant increase in credit risk.
- Estimation of losses for loans with no/minimal historical defaults.

Estimates, by their nature, give rise to a higher risk of material misstatement due to error. Given the size of loan portfolio relative to the balance sheet and the impact of impairment allowance on the financial statements, we have considered this as a key audit matter.

The subsidiary company's audit procedures to assess the Company's policy on impairment indicators for lending exposures and computation of ECL allowance for such exposures included the following:

- Tested the criteria for staging of loans based on change in credit risk from the initiation of the loan.
- Evaluated the reasonableness of the Management estimates by understanding the process of ECL estimation and tested the controls around data extraction and validation.
- For disclosures, assessed whether the disclosures on key judgements, assumptions and quantitative data with respect to impairment loss allowance in the financial statements are appropriate and sufficient.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Director's Report but does not include the consolidated financial statements and our auditor's report 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 consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, 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.

Management's Responsibility for the Consolidated Financial Statements

The Holding 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 consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India.

The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the Group'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 management 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 also responsible for overseeing the Group's financial reporting process.

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 Holding Company and its subsidiary companies 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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 statement of the entities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in 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 consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by 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 and the reports of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow 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 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 of the Holding Company as on March 31, 2022 taken on record by the Board of Directors of the Holding Company and on the basis of the reports of the statutory auditor of its subsidiary companies, none of the directors of the Holding Company and its subsidiary companies are disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of the internal financial controls with reference to financial statements and the operating effectiveness of such controls, refer to our separate report in Annexure 'A' which is based on the auditor's reports of the Holding Company and its subsidiary companies. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to the financial statements.

(g) With respect to 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 directors 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, we further report that:

   i. The Group has disclosed the impact of pending litigations which would impact the consolidated financial position of the Group.

   ii. The Group 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 Holding Company and its subsidiary companies.

   iv. (a) The respective Managements of the Holding Company and its subsidiaries, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or its subsidiary companies to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or its subsidiary companies ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

   (b) The respective Managements of the Holding Company and its subsidiary companies, whose financial statements have been audited under the Act, have represented to us, that, to the best of their knowledge and belief, no funds have been received by the Holding Company or its subsidiary companies from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or its subsidiary companies shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

   (c) Based on audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Holding Company and its subsidiary companies, whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. As stated in Note 25 to the consolidated financial statements
   (a) The interim dividend paid by the Holding Company during the year in respect of the same declared for the previous year is in accordance with Section 123 of the Companies Act, 2013 to the extent it applies to payment of dividend.
   (b) The Board of Directors of the Holding Company have not declared or paid final dividend for the year.

2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, based on the CARO report issued by us for the Holding Company and the CARO report issued by the auditors of the subsidiary companies incorporated in India, included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports

For KALYANIWALLA & MISTRY LLP
Chartered Accountants
Firm Registration No: 104607W / W100166

Sd/-
Roshni R. Marfatia
Partner
Membership No: 106548
UDIN: 22106548AJNREY7633
Place : Mumbai
Date : May 24, 2022

Annexure 1
List of subsidiary companies included in the Statement
Subsidiary Companies

1 Sharekhan Commodities Private Limited
2 Sharekhan BNP Paribas Financial Services Limited
3 Wealthtiger Investment Advisors Private Limited
4 Espresso Financial Services Private Limited (*formerly known as Sharekhan Comtrade Private Limited*)

Sub-subsidiary Companies

5 Sharekhan.com India Private Limited
6 Sharekhan Consultants Private Limited

Annexure 'A' to the Independent Auditor's Report

The Annexure referred to in Para (f) under 'Report on Other Legal and Regulatory Requirements' of our Independent Auditors' Report to the members of the Holding Company on the consolidated Ind AS financial statements for the year ended March 31, 2022:

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 with reference to financial statements of **Sharekhan Limited** ("the Holding Company") and its subsidiary companies as at March 31, 2022 in conjunction with our audit of the consolidated Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary companies are responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Holding Company and its subsidiary 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. 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 with reference to financial statements of the Holding Company and its subsidiary companies, 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 with reference to financial statements 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 with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system with reference to financial statements of the Holding Company and its subsidiary companies.

Meaning of Internal Financial Controls with reference to financial statements

A Company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Holding Company and its subsidiary companies, have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were generally operating effectively as at March 31, 2022, based on the internal control with reference to financial statements criteria 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 **KALYANIWALLA & MISTRY LLP**
Chartered Accountants
Firm Registration No. 104607W/W100166

Sd/-
Roshni R. Marfatia
Partner
Membership No.: 106548
UDIN: 22106548AJNREY7633

Place : Mumbai
Date : May 24, 2022

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2022

(Currency: ₹ in million)

Particulars	Note No.	As at 31.03.2022	As at 31.03.2021
ASSETS			
Financial Assets			
Cash and cash equivalents	3.01	4,318	5,836
Bank Balance other than cash and cash equivalents	3.02	27,067	17,307
Receivables			
(i)Trade Receivables	3.03	2,420	2,812
(ii)Other Receivables	3.04	984	1,017
Loans	3.05	20,239	10,309
Investments	3.06	2,099	2,343
Other Financial assets	3.07	233	277
Non-financial Assets			
Current tax assets (Net)		170	164
Deferred tax assets (Net)	3.31	454	369
Property, Plant and Equipment	3.08	719	872
Capital work-in-progress	3.09	9	16
Other intangible assets	3.10	77	85
Right -of-use assets	3.11	484	543
Other non financial assets	3.12	292	209
Total assets		**59,565**	**42,159**
LIABILITIES AND EQUITY			
LIABILITIES			
Financial Liabilities			
Payables	3.13		
Trade Payables			
(i) total outstanding dues of micro enterprises and small enterprises		1	7
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		22,864	19,744
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		2	1
Borrowing (Other than Debt securities)	3.14	18,030	6,330
Lease Liabilities	3.15	552	615
Other financial liabilities	3.16	947	554
		42,396	**27,251**
Non-financial liabilities			
Current tax liabilities (Net)		138	182
Provisions	3.17	521	446
Other non-financial liabilities	3.18	503	455
		1,162	**1,083**
Equity			
Equity share capital	3.19	587	587
Other equity	3.20	15,420	13,238
		16,007	**13,825**
Total liabilities and equity		**59,565**	**42,159**

The accompanying notes are an integral part of the consolidated financial statements - 1 to 30

For Kalyaniwalla & Mistry LLP
Chartered Accountants
Firm Registration No. : 104607W / W100166

Sd/-
Roshni R. Marfatia
Partner
Membership no. : 106548

Mumbai
Date : 24 May 2022

For and on behalf of the Board of directors of
Sharekhan Limited
CIN: U99999MH1995PLC087498

Sd/-
Jaideep Arora
CEO & Whole Time Director
DIN: 00056252

Sd/-
Stefan Groening
Whole Time Director
DIN: 07657587

Sd/-
Sumeet Chugh
Chief Financial Officer

Sd/-
Vijay Sakali
Company Secretary
FCS No: 11793

Mumbai
Date : 24 May 2022

SHAREKHAN LIMITED

STATEMENT OF CONSOLIDATED PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2022

(Currency: ₹ in million)

Particulars	Note No.	Year Ended 31.03.2022	Year Ended 31.03.2021
Revenue from operations			
Interest Income	3.21	3,665	2,441
Fee and commission Income	3.22	9,488	8,202
Net gain on fair value changes	3.23	84	128
Total Revenue from operations		**13,237**	**10,771**
Other Income	3.24	9	20
Total Income		**13,246**	**10,791**
Finance cost	3.25	941	351
Fee and commission expenses	3.26	2,332	1,837
Impairment of financial instruments	3.27	35	32
Employee Benefits Expenses	3.28	2,940	2,513
Depreciation, amortization and impairment	3.29	500	607
Other expenses	3.30	2,929	2,567
Total Expenses		**9,677**	**7,907**
Profit Before Tax		3,569	2,884
Tax Expense:	3.31		
(1) Current Tax		990	832
(2) Prior year income tax		12	11
(3) Deferred Tax		(78)	(103)
		924	**740**
Profit After Tax	A	**2,645**	**2,144**
Other Comprehensive Income			
(A) (i) Items that will not be reclassified to profit or loss :			
- Remeasurement gain / (loss) on defined benefit plans		(29)	(11)
(ii) Income tax relating to items that will not be reclassified to profit or loss		7	3
Other Comprehensive Income	B	**(22)**	**(8)**
Total Comprehensive Income for the year	(A + B)	**2,623**	**2,136**
Earnings per equity share	4		
Basic and Diluted (₹)		45.02	36.50

The accompanying notes are an integral part of the consolidated financial statements - 1 to 30

For Kalyaniwalla & Mistry LLP
Chartered Accountants
Firm Registration No. : 104607W / W100166

Sd/-
Roshni R. Marfatia
Partner
Membership no. : 106548

Mumbai
Date : 24 May 2022

For and on behalf of the Board of directors of
Sharekhan Limited
CIN: U99999MH1995PLC087498

Sd/-
Jaideep Arora
CEO & Whole Time Director
DIN: 00056252

Sd/-
Stefan Groening
Whole Time Director
DIN: 07657587

Sd/-
Sumeet Chugh
Chief Financial Officer

Sd/-
Vijay Sakali
Company Secretary
FCS No: 11793

Mumbai
Date : 24 May 2022

SHAREKHAN LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022

		(Currency: ₹ in million)
	Year Ended 31.03.2022	**Year Ended 31.03.2021**
Cash flows from operating activities		
Net profit before taxation	3,569	2,884
Adjustment for :		
Depreciation on property, plant and equipment and intangible assets	292	394
Depreciation on right of use asset	208	213
Interest expense on borrowings	823	241
Interest on Lease liabilities	51	61
Net gain on fair value changes	(84)	(128)
Provision for litigation	-	-
Provision for doubtful deposits	13	15
Allowance for credit losses	1	27
Provision for standard assets	21	-
Net loss on sale of property, plant and equipment	2	1
Operating cash flow before working capital changes	**4,896**	**3,708**
Changes in working capital:		
Adjustments for		
Decrease / (Increase) in Trade receivables and other receivables	424	(1,946)
Increase in Deposits kept as margin money and placed with exchange	(9,806)	(5,713)
Increase in Loans	(9,955)	(2,666)
Decrease in Other financial assets	33	16
Increase in Other non-financial assets	(82)	(72)
Increase in Trade and other payables	3,116	5,932
Increase in Other financial liabilities	393	136
Increase / (Decrease) in Other non-financial liabilities	49	(270)
Increase in Provisions	46	88
Cash (used in) operations	**(10,886)**	**(787)**
Income tax paid (net)	(1,052)	(800)
Net cash flow (used in) operating activities (A)	**(11,938)**	**(1,587)**
Cash flow from investing activities		
Purchase of Property, Plant and Equipment	(75)	(280)
Purchase of intangibles	(51)	(18)
Proceeds from sale of Property, Plant and Equipment	1	1
Proceeds from sale of intangibles	-	-
Purchase of investments	(14,560)	(19,239)
Proceeds on redemption of investments	14,888	19,714
Purchase of fixed deposits	(169)	(71)
Proceeds from maturity of fixed deposits	212	797
Net cash generated from investing activities (B)	**246**	**904**
Cash flow from financing activities		
Borrowings through commercial papers	291,000	201,752
Repayment of borrowings through commercial papers	(280,750)	(196,400)
Proceeds from working capital demand loan	9,313	-
Repayment of working capital demand loan	(7,863)	-
Interest paid on borrowings	(823)	(241)
Dividend paid	(441)	-
Cash payments for the principal portion of the lease liability	(211)	(206)
Cash payments for the interest portion of the lease liability	(51)	(61)
Net cash flow generated from financing activities (C)	**10,174**	**4,844**
Effect of exchange differences on translation of foreign currency cash and cash equivalents * (D)	-	-
Net increase in cash and cash equivalents (A+B+C+D)	**(1,518)**	**4,161**
Cash and cash equivalents at the beginning of the year	5,836	1,688
Cash and cash equivalents at the end of the year	**4,318**	**5,836**

* Amount disclosed as '-' on account of rounding off to million.

(Currency: ₹ in million)

Notes:

1) Cash and cash equivalents comprises of:

Cash in hand	4	4
Balances with banks in current account	4,295	5,832
Deposits with bank with maturity less than three months	19	-
	4,318	**5,836**

2) The above statement of cash flow has been prepared under the 'Indirect Method' as set out in Ind AS 7 - 'Statement of Cash Flow'.

3) Since the Holding Company is engaged in stock broking services and lending business, interest income have been considered as part of 'Cash flow from operating activities'.

4) Direct taxes paid is treated as arising from operating activities and is not bifurcated between investing and financing activities.

5) Figures in brackets are outflows / deductions. Previous year's figures have been regrouped, wherever necessary.

For Kalyaniwalla & Mistry LLP
Chartered Accountants
Firm Registration No. : 104607W / W100166

Sd/-
Roshni R. Marfatia
Partner
Membership no. : 106548

Mumbai
Date : 24 May 2022

For and on behalf of the Board of directors of
Sharekhan Limited
CIN: U99999MH1995PLC087498

Sd/-
Jaideep Arora
CEO & Whole Time Director
DIN: 00056252

Sd/-
Stefan Groening
Whole Time Director
DIN: 07657587

Sd/-
Sumeet Chugh
Chief Financial Officer

Sd/-
Vijay Sakali
Company Secretary
FCS No: 11793

Mumbai
Date : 24 May 2022

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2022

(Currency: ₹ in million)

A. Share Capital (Refer Note 3.19)

	Equity Share Capital	
	Number	Balance
Balance as at 1st April 2020	58,746,178	587
Changes in equity share capital during the year	-	-
Balance as at 31st March 2021	**58,746,178**	**587**
Issue of share capital	-	-
Balance as at 31st March 2022	**58,746,178**	**587**

B. Other Equity (Refer Note 3.20)

	Reserves and Surplus				Total
	Securities premium	Capital redemption reserve	Statutory reserve	Retained Earnings	
Balance as at April 1, 2020	**4,093**	**30**	**243**	**12,728**	**17,094**
Profit for the year	-	-	-	2,144	2,144
Other Comprehensive Income for the year	-	-	-	(8)	(8)
Transfererd to Statutory reserve	-	-	91	(91)	-
Dividend paid	-	-		(5,992)	(5,992)
Total Comprehensive Income for the year	**-**	**-**	**91**	**(3,947)**	**(3,856)**
Balance as at March 31, 2021	**4,093**	**30**	**334**	**8,781**	**13,238**
Profit for the year	-	-	-	2,645	2,645
Other Comprehensive Income for the year	-	-	-	(22)	(22)
Transfererd to Statutory reserve	-	-	128	(128)	-
Dividend paid	-	-	-	(441)	(441)
Total Comprehensive Income for the year	**-**	**-**	**128**	**2,054**	**2,182**
Balance as at March 31, 2022	**4,093**	**30**	**462**	**10,835**	**15,420**

The accompanying notes are an integral part of the consolidated financial statements - 1 to 30

As per our report attached
For KALYANIWALLA & MISTRY LLP
Chartered Accountants
Registration No.: 104607W / W100166

Sd/-
Roshni R. Marfatia
Partner
Membership No.:106548

Mumbai
Date : 24 May 2022

For and on behalf of the Board of directors of
Sharekhan Limited
CIN: U99999MH1995PLC087498

Sd/-
Jaideep Arora
CEO & Whole Time Director
DIN: 00056252

Sd/-
Stefan Groening
Whole Time Director
DIN: 07657587

Sd/-
Sumeet Chugh
Chief Financial Officer

Sd/-
Vijay Sakali
Company Secretary
FCS No: 11793

Mumbai
Date : 24 May 2022

1) Background

Sharekhan Limited ('the Holding Company') is a public limited company incorporated under the provisions of the Companies Act, 1956. The Consolidated Financial Statements comprise financial statements of the Holding Company and its subsidiaries (collectively referred to as 'the Group') for the year ended 31st March 2022.

The Holding Company provides research based stock broking services predominantly to non-institutional investors, distributes Mutual funds, renders depository services & portfolio management services. Sharekhan Commodities Private Limited ('SCPL') provided research based commodity broking services to non-institutional investors. The same has been discontinued since 5 November 2016. Sharekhan BNP Paribas Financial Services Limited (formerly known as Sharekhan BNP Paribas Financial Services Private Limited) ('SFSL') is a Non Banking Finance Company which provides financing services primarily against securities. Sharekhan.com India Private Limited ('S.Com') is primarily engaged in trader education and training business and Sharekhan Consultants Private Limited ('SCTPL') was engaged in the business of referral services. Wealthtiger Investment Advisors Private Limited ('WTPL') was engaged in investment advisory services. During the previous year ended 31st March 2021, the Holding Company had acquired 100% Espresso Financial Services Private Limited (EFSPL) (formerly known as Sharekhan Comtrade Private Limited) on 10th June 2020 pursuant to Share Purchase Agreement date 24 December 2019.

The Holding Company is a subsidiary of BNP Paribas SA.

2) Significant accounting policies

The significant accounting policies applied by the Group in the preparation of its Consolidated financial statements are listed below. Such accounting policies have been applied consistently to all the periods presented in these Consolidated financial statements.

a) Statement of compliance

The Consolidated financial statements of the Group have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with of the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

b) Basis of preparation and presentation of Consolidate Financial Statements

The consolidated financial statements have been prepared on a historical cost basis, except certain financial assets and liabilities that are measured at fair value.

The consolidated financial statements are presented in INR / ₹ and all values are rounded to the nearest million, except when otherwise indicated.

The Group presents its consolidated balance sheet in order of liquidity. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non–current) is presented in note 11.

c) Basis of consolidation

The consolidated financial statements comprises of Sharekhan Limited and all its subsidiaries, being the entities that it controls. Controls are assessed in accordance with the requirement of Ind AS 110 - Consolidated Financial Statements.

Sharekhan Limited holds 100% share capital in SCPL,SFSL,EFSPL and WTPL. SFSPL holds 100% share capital in S.Com and SCTPL.
The consolidated financial statements of the Group have been prepared on following basis:

•In respect of subsidiaries, the financial statements have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses.

•The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Holding Company's separate financial statements.

d) Significant accounting judgements, estimates and assumptions

The preparation of consolidated financial statements in conformity with the recognition and measurement principles of Ind AS requires management of the Group to make judgments, estimates and assumptions. These judgments, estimates and assumptions affect the reported amounts of assets and liabilities, disclosures including disclosures of contingent liabilities as at the date of consolidated financial statements and the reported amounts of revenues and expenses during the period. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in future periods which are affected.

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year are:

(i) Fair value measurements

When the fair value of financial assets or financial liabilities recorded or disclosed in the consolidated financial statements cannot be measured at the quoted price in the active markets, their fair value is measured using the valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values, judgments includes consideration of inputs such as liquidity risk, credit risk and volatility.

(ii) Provisions, liabilities and contingencies

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events that can reasonably be estimated. The timing of recognition requires application of judgments to existing facts and circumstances which may be subject to change. The amounts are determined by discounting the expected future cash flows at a pre – tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.
In the normal course of business, contingent liabilities may arise from litigation and other claims against the Group. Potential liabilities that are possible to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognized.

2) Significant accounting policies *(Continued)*

d) Significant accounting judgements, estimates and assumptions *(Continued)*

(iii) Recognition and Measurement of defined benefit obligation

The obligation arising from defined benefit plans is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

(iv) Impairment of financial assets

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

e) Revenue recognition

i Recognition of income

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 and supersedes current revenue recognition guidance found within Ind ASs.

The Group 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 expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.
Step 4 : Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

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

ii Interest income

Under Ind AS 109 interest income is recorded using the effective interest rate (EIR) method for all financial instruments measured at amortised cost. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset.

The Group calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets. When a financial asset becomes credit-impaired, the Group calculates interest income by applying the effective interest rate to the net amortised cost of the financial asset. If the financial assets cures and is no longer credit-impaired, the Group reverts to calculating interest income on a gross basis.

iii Fees & Commission income

1 Broking fees income

Brokerage fees is recognised at point in time as per contracted rates on the excution of the transaction in Exchanges on behalf of clients on trade dates. Brokerage fees is net of Goods & Service tax (GST).

2 Depository income

Depository income (net of GST) pertains to income from depository services rendered by the Group and is recognised after ascertaining recoverability of the same.

3 Portfolio management fee

Portfolio management fee (net of GST) is recognised on an accrual basis in accordance with the terms of contract between the Group and Portfolio Management Scheme (PMS) clients. Fees which are based on the performance of the respective portfolios are recognised on completion of the performance period at point in time

4 Income from Initial Public Offer (IPO) / Mutual Fund services

Service income (net of GST), viz distribution of Initial Public Offer (IPO) and Mutual Fund is recognised on accrual basis as and when services are performed at point in time.

5 Advisory fees

Advisory fees are charged to clients based on the investment corpus allocated and in accordance with the contract entered into with the clients. Fees are recognized on accrual basis.

6 Training fees

Training fee is recognized as income, earlier of :-
a) when the student meets all the conditions precedent to the training program;
b) on actual attendance of the program;
c) one year from the receipt of the fee or part thereof.

f) Foreign currency transactions and translation

The management of the Group has determined Indian Rupee ("INR") as the functional currency of the Group. In preparing the consolidated financial statements, transactions in currencies other than the entity's functional currency are recorded at the rates of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are re-translated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are re-translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.
Exchange differences arising on the translations/settlement of monetary items in foreign currency are recognised in the Consolidated Statement of Profit and Loss.

2) Significant accounting policies *(Continued)*

g) Taxation

Income tax expense comprises both current and deferred tax. Current and deferred taxes are recognised in the consolidated statement of profit and loss.

Current Tax

Current tax assets and liabilities for the current and prior years 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, by the reporting date in the countries where the Group operates and generates taxable income.

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). Current tax items are recognised in correlation to the underlying transaction either in Other Comprehensive Income (OCI) or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax assets and liabilities are recognised on temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the consolidated financial statements.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

h) Financial Instruments

i) Classification

A Financial instrument is any contract that give rise to a financial asset of one entity and financial liability or equity instruments of another entity.

Financial assets, other than equity, are classified into finanical assets at fair value through other comprehensive income (FVOCI) or fair value through profit and loss account (FVTPL) or at amortised cost. Financial assets that are equity instruments are classified as FVTPL or FVOCI. Financial liabilities are classifed as amortised cost category and FVTPL.

ii) Business Model assessment and Solely payments of principal and interest (SPPI) test:

Classification and measurement of financial assets depends on the business model and results of SPPI test. The Group determines the business model at a level that reflects how Groups of financial assets are managed together to achieve a particular business objective. As a second step of its classification process the Group assesses the contractual terms of financial to identify whether they meet the SPPI test. Based on the above, financial assets are either classified as:

1. Amortised cost,
2. Fair value through other comprehensive income and
3. Fair value through profit and loss.

iii) Initial recognition:

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in statement of profit and loss.

Financial assets and financial liabilities are initially recognised on the trade date i.e. the date when a the Group becomes a party to the contractual provisions of the instruments. At initial recognition, the Group measures trade receivables at their transaction price if the trade receivables do not contain a significant financing component.

iv) Subsequent measurement:

Financial assets at amortised cost:

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and 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.

The Group measures bank balances, loans, trade receivables and financial investments at amortised cost.

Fair value through Profit and loss account:

Financial assets are measured at FVTPL unless it is measured at amortised cost or at FVOCI on initial recognition. The transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are immediately recognised in profit or loss.

2) Significant accounting policies *(Continued)*

h) Financial Instruments *(Continued)*

v) Financial Liabilities and equity instruments:

Classification as debt or equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Financial Liabilities

Trade and other payables are initially measured at fair value, net of transaction costs, and These are subsequently measured at amortised cost using effective interest rate method where the time value of money is significant. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate the fair value due to the short maturity of these instruments.

vi) Reclassification of Financial assets and Financial liabilities:

The Group does not re-classify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances when the Group changes its business model for managing such financial assets. The Group does not re-classify its financial liabilities.

vii) Impairment of financial assets:

The Group recognises loss allowances using the Expected Credit Loss (ECL) model for the financial assets which are at amorised cost. Expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk or the assets have become credit impaired from initial recognition in which case, those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date is recognised as an impairment gain or loss in the Statement of Profit and Loss.

viii) Trade receivables/Loans:

The Group follows 'Simplified approach' for recognition of impairment loss allowance on trade receivables. The Group recognises impairment loss allowance based on lifetime expected credit losses('ECL') on all credit impaired trade receivables at each reporting date. For trade receivables which are not credit impaired, impairment loss allowance are recognised based on management's best estimate of default rates at each reporting date.

Loans to Customers and other financial assets

The Group recognizes impairment allowances using Expected Credit Losses ("ECL") method on all the financial assets that are not measured at FVPTL:

The Group has established a policy for the purpose of ECL calculation under Ind AS 109 and loans are classified in 3 stages based on change in credit risk of the loan from the initiation of the loan. Depending on the stage at which a loan or a group of loans are classified, level of ECL provision and method of calculation of ECL differs as stated in the policy.

Stage 1 is where credit risk has not increased significantly since initial recognition. For financial assets in stage 1, the Group recognises 12 month expected credit loss as ECL provision and recognizes interest income on a gross basis – this means that interest will be calculated on the gross carrying amount of the financial asset before adjusting for ECL provision.

Stage 2 is where credit risk has increased significantly since initial recognition. When a loan transfers to stage 2 the Group recognises lifetime expected credit loss on such loans/group of loans at the same time interest income will continue to be recognised on a gross basis.

Stage 3 is where the financial asset is credit impaired. This is effectively the point at which there has been expected credit loss event under Ind AS 109. For financial assets in stage 3, the Group will recognise lifetime expected credit loss at loan level

Financial assets are written off / fully provided for when there is no reasonable of recovering a financial assets in its entirety or a portion thereof. However, financial assets that are written off could still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in the Consolidated Statement of Profit and Loss.

Collateral valuation

To mitigate credit risks on Financial assets, the Group seeks to use collateral where possible. The collateral comes in form of cash & securities. Collaterals unless repossessed are not recorded on the Group's Balance Sheet. However, the fair value of the collateral affects the calculation of Expected Credit Loss (ECL). Collateral relating to margin requirements is valued daily. The Group uses active market data for valuing the securities held as collateral.

ix) Derecognition of Financial assets and Financial liabilities:

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expires or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

A financial liability is derecognised when, and only when, the obligation under the liability is discharged, cancelled or expired.

i) Cash and cash equivalents :

Cash and cash equivalent in the consolidated balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

j) Property, Plant and Equipment

Property, plant and equipment are stated at cost of acquisition less accumulated depreciation and accumulated impairment loss, if any. Cost includes all expenses incidental to the acquisition of the property, plant and equipment and any attributable cost of bringing the asset to its working condition for its intended use. Subsequent costs are capitalised only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance costs are recognized in statement of profit and loss as incurred.

Capital work in progress and Capital advances

Cost of assets not ready for intended use, as on the Balance Sheet date, is shown as capital work in progress. Advances given towards acquisition of property, plant and equipment outstanding at each Balance Sheet date are disclosed in Other Non-Financial Assets.

2) Significant accounting policies *(Continued)*

Depreciation of property, plant and equipment

Depreciation on property, plant and equipment, other than premises and leasehold improvements, is provided on a straight line method based on estimated useful life. Premises are depreciated over its estimated useful life on a straight line basis. Leasehold improvements are amortised over the primary period of lease on a straight line basis or useful life whichever is less.

As per the requirement of the Act, the Group has evaluated the useful lives of its property, plant and equipment and has computed depreciation according to the provisions of Schedule II of the Act. The useful life of the following assets are as follows :

Nature of property, plant and equipment	As per Companies Act
Furniture and fixtures	10 years
Vehicles	10 Years
Office equipments	5 Years
Electric fittings and generator	10 Years
Computer hardware	3 - 6 Years

Further as disclosed in the table below, the estimated useful life of certain property, plant and equipment of the Group is different from useful life prescribed in Schedule II of the Act.

Nature of property, plant and equipment	Management Estimate of Useful Life (in years)	Useful life as per the limits prescribed in Schedule II of the Act (in years)
Office Premises	20	60
Air Conditioners	10	15

For these class of assets, based on internal technical assessment, 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 is different from the useful lives as prescribed under Part C of Schedule II of the Act.

Assets individually costing INR 5,000/- or less are fully depreciated in the year of purchase or acquisition.

Depreciation in respect of leasehold improvements is provided on straight-line method over a period of 10 years since the management is reasonably certain of renewal of lease terms.

The Group provides pro-rata depreciation from the date the asset is ready for its intended use and in respect of assets sold, depreciation is provided upto the date of disposal.

The residual values, estimated useful lives and method of depreciation of property, plant and equipment are reviewed at end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Property, plant and equipment are derecognised on disposal or when no future economic benefits are expected to arise from its continuous use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in other income / expense in the statement of profit and loss in the year the asset is derecognised. The date of disposal of an item of property, plant and equipment is the date the recipient obtains control of that item in accordance with the requirements for determining when a performance obligation is satisfied in Ind AS 115.

k) Intangible Assets:

Intangible assets are carried at cost less accumulated amortisation.

Capital work in progress and Capital advances

Cost of assets not ready for intended use, as on the Balance Sheet date, is shown as capital work in progress. Advances given towards acquisition of intangible assets outstanding at each Balance Sheet date are disclosed in Other Non-Financial Assets.

Amortisation of intangible assets

Intangible Assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment loss, if any. The cost of intangible assets acquired in an amalgamation in the nature of purchase is reflected at their fair value as at the date of amalgamation. Profit or Loss on disposal of intangible assets is recognised in the Statement of Profit and Loss.

Intangible assets are amortised as follows:

- Membership rights of the BSE Limited ('BSEL') over a period of 10 years;
- Computer software and web development cost over a period of 3 years;
- Goodwill and trademark over a period of 3 years;
- Non-compete fees over the agreement period subject to maximum of 3 years.

Intangible assets are derecognised on disposal or when no future economic benefits are expected to arise from its continuous use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in other income / expense in the statement of profit and loss in the year the asset is derecognised. The date of disposal of an item of intangible asset is the date the recipient obtains control of that item in accordance with the requirements for determining when a performance obligation is satisfied in Ind AS 115.

2) Significant accounting policies *(Continued)*

l) Impairment of non - financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount.

Recoverable amount is the higher of fair value less costs of disposal and value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. The impairment loss, if any, is recognised in the statement of profit and loss in the period in which impairment takes place.

A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, however subject to the increased carrying amount not exceeding the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior accounting periods. A reversal of an impairment loss is recognised immediately in the statement of profit and loss.

m) Employee benefits

Defined contribution plans

(i)Provident fund

The Group contributes to a recognised provident fund which is a defined contribution scheme. The contributions are accounted for on an accrual basis and recognised in the statement of profit and loss. The eligible employees of the Group are entitled to receive post-employment benefits in respect of provident . The contributions made to state managed retirement benefit schemes are dealt with as payments to defined contribution schemes where the Group's obligations under the schemes are equivalent to those arising in a defined contribution retirement benefit scheme.

Defined Benefit Plan

(i) Gratuity

The Group's gratuity scheme is a defined benefit plan. The Group's net obligation in respect of the gratuity benefit is calculated by estimating the amount of future benefit that the employees have earned in return for their service in the current and prior periods, that benefit is discounted to determine its present value, and the fair value of plan assets, if any, is deducted from such determined present value.

The discount rate used for determining the present value is based on the Indian Government Securities yields prevailing as at the balance sheet date that have maturity date equivalent to the tenure of the obligation.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method with actuarial valuations being carried out at the end of each annual reporting period.

All other expenses related to defined benefit plans is recognised in employee benefit expenses in statement of profit and loss. Remeasurements are not reclassified to profit or loss in subsequent periods.

When the benefits of the plan are changed, or when a plan is curtailed or settlement occurs, the portion of the changed benefit related to past service by employees, or the gain or loss on curtailment or settlement, is recognized immediately in the profit or loss account when the plan amendment or when a curtailment or settlement occurs.

(ii) Compensated absences

Compensated absences are recognised as a liability at the present value of the defined benefit obligation at the balance sheet date. The Group's liability towards compensated absences is determined on the basis of valuations, as at balance sheet date, carried out by an independent actuary using Projected Unit Credit Method. Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognised immediately in the statement of profit and loss.

Other Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised during the year.

Long term incentive plan (LTIP)

The Group has launched 'Group Sustainability and Incentive Scheme' (GSIS) and Contingent Sustainable and International Scheme (CSIS) for various future ending periods which is a defined benefit and is accrued based on an actuarial valuation at the balance sheet date carried out by an independent actuary.

n) Right of Use (ROU) and Lease Liability

The Group has applied Ind AS 116 using the modified retrospective approach.

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Lease payments included in the measurement of the lease liability comprise the amounts expected to be payable over the period of the lease. The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

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

2) Significant accounting policies *(Continued)*

o) Accounting for provisions, contingent liabilities and contingent assets

Provisions are recognised in the balance sheet when the Group has a present obligation (legal or constructive) as a result of a past event, which is expected to result in an outflow of resources embodying economic benefits which can be reliably estimated. Each provision is based on the best estimate of the expenditure required to settle the present obligation at the balance sheet date. Where the time value of money is material, the amount of a provision shall be the present value of the expenditures expected to be required to settle the obligation.

Provisions shall be reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision shall be reversed.

Contingent liabilities are not recognised in the consolidated financial statements. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. The Group does not recognise contingent asset.

p) Earnings per share

The basic earnings per share is computed by dividing the net profit attributable to the equity shareholders by weighted average number of equity shares outstanding during the reporting period.

Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Holding Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. In computing diluted earnings per share, only potential equity shares that are dilutive are included.

q) Borrowing cost

All borrowing cost are expensed in the period when they occur. Borrowing cost consists of interest and other cost that an entity incurs in connection with the borrowing of the funds.

r) Segment Report

Based on the ‘management approach’ as defined in Ind AS 108, the Chief Operating Decision Maker (CODM) evaluates the Group’s performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments. Accordingly, the information has been presented both along business segments and geographic segments. The accounting principles used in the preparation of the consolidated financial statements are consistently applied to record revenue and expenditure in individual segments, and are as set out in the significant accounting policies.

(Currency: ₹ in million)

3.01 Cash and cash equivalents

	As at 31.03.2022	As at 31.03.2021
Cash on hand	4	4
Balances with Banks		
- in current accounts	4,295	5,832
Deposits with bank with maturity less than three months	19	-
Total	**4,318**	**5,836**

(a) Balance with banks is net of book overdrafts of ₹NIL (31 March 2021: ₹ 12)

3.02 Bank Balance other than cash and cash equivalents

	As at 31.03.2022	As at 31.03.2021
Deposits with banks (Refer Note (a) below)	26,744	17,122
Interest receivable on bank deposits	323	185
Total	**27,067**	**17,307**

(a) Deposits with bank includes deposits which have been earmarked as follows:		
- Fixed deposit on margin money for availing overdraft facilities and guarantees issued by banks;	2,269	781
- Fixed Deposit placed with exchanges towards capital adequacy and membership fees;	24,433	14,969

3.03 Trade receivables

	As at 31.03.2022	As at 31.03.2021
Receivables considered good- Secured*	2,332	2,789
Receivables considered good- Unsecured	97	57
Receivables which have significant increase in credit risk	-	-
Receivables- credit impaired	267	268
	2,696	3,114
Less: Allowance for impairment losses	276	302
Total	**2,420**	**2,812**

* secured against securities given as collateral by the customers

Trade receivables Ageing Schedule:-
For the year ended 31 March 2022

Particulars	Outstanding for following periods from due date of payment						Loss Allowance	Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years		
Undisputed Trade Receivable - Considered good	67	2,306	43	4	6	3	(9)	2,420
Undisputed Trade Receivable - which have significant increase in credit risk	-	-	-	-	-	-	-	-
Undisputed Trade Receivable - Credit impaired	-	18	2	38	23	186	(267)	-
Disputed Trade Receivable - Considered good	-	-	-	-	-	-	-	-
Disputed Trade Receivable - which have significant increase in credit risk	-	-	-	-	-	-	-	-
Disputed Trade Receivable - Credit impaired	-	-	-	-	-	-	-	-

(Currency: ₹ in million)

3.03 Trade receivables *(Continued)*

Trade receivables Ageing Schedule *(Continued)* : -

For the year ended 31 March 2021

Particulars	Outstanding for following periods from due date of payment						Loss Allowance	Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years		
Undisputed Trade Receivable - Considered good	39	2,722	9	17	10	49	(34)	2,812
Undisputed Trade Receivable - which have significant increase in credit risk	-	-	-	-	-	-	-	-
Undisputed Trade Receivable - Credit impaired	-	21	16	44	84	103	(268)	-
Disputed Trade Receivable - Considered good	-	-	-	-	-	-	-	-
Disputed Trade Receivable - which have significant increase in credit risk	-	-	-	-	-	-	-	-
Disputed Trade Receivable - Credit impaired	-	-	-	-	-	-	-	-

Notes:

(a) No trade receivable are due from directors or other officers of the group either severally or jointly with any other person. Nor any trade receivable are due from firms including limited liability partnerships (LLPs) or private companies respectively in which any director is a partner, a director or a member.

3.04 Other receivables

	As at 31.03.2022	As at 31.03.2021
Unsecured - considered good		
Exchange receivable	981	980
Receivable from related party:		
- BNP Paribas SA*	-	-
Other receivable	3	37
Total	**984**	**1,017**

* represents amount less than ₹ 1 million

(a) Other receivables do not have any significant increase in credit risk and are not credit impaired.

(b) The outstanding balance as on 31 March 2022 and as on 31 March 2021 is fully undisputed and less than six months.

(c) No receivables are due from directors or other officers of the group either severally or jointly with any other person. Nor any receivables are due from firms including limited liability partnerships (LLPs) or private companies respectively in which any director is a partner, a director or a member.

(Currency: ₹ in million)

3.05 Loans

		As at 31.03.2022	As at 31.03.2021
Loans - at amortised cost			
Loans to customers		20,303	10,340
Loans to employees		4	5
Total - Gross		20,307	10,345
Less: Impairment loss allowance		68	36
Total - Net	**A**	**20,239**	**10,309**
Secured/ Unsecured			
(a) Secured by investments made by customers in securities		19,389	10,110
(b) Unsecured		918	235
Total - Gross		20,307	10,345
Less: Impairment loss allowance		68	36
Total - Net	**B**	**20,239**	**10,309**
Loans in India			
Public Sector		-	-
Others		20,307	10,345
Total - Gross		**20,307**	**10,345**
Less: Impairment loss allowance		68	36
Total - Net	**C**	**20,239**	**10,309**
Stage wise break up of Loans			
Low credit Risk (Stage 1)		20,239	10,309
Significant increase in credit risk (Stage 2)		-	-
Credit impaired (Stage 3)		-	-
		20,239	**10,309**

(a) No loans have been granted to promoters, directors, key managerial personnel and the related parties either severally or jointly with any other person that are :

a) Repayable on demand
b) Without specifying any terms or period of repayment

(b) In determining allowance for credit losses of loans the Company has used the practical expedient by computing the expected credit loss allowance based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on ageing of the receivables that are due and rates used in the provision matrix.

Movements in allowance for credit losses of loans is as below:	Year Ended 31.03.2022	Year Ended 31.03.2021
Balance at the beginning of the year	36	35
Charge during the year	32	5
Release during the year	-	(4)
Utilised during the year	-	-
Balance as at the end of the year	**68**	**36**

3.06 Investments

	As at 31.03.2022	As at 31.03.2021
At Fair Value through profit or loss		
Investments in India		
Mutual funds	2,059	2,304
Other - Aviva Life Insurance Company India Limited	40	39
Total	**2,099**	**2,343**

More information regarding the valuation methodologies can be found in note 12

<u>Reclassification</u>

During the current or previous reporting periods the Group has not reclassified any investments since its initial classification.

The Group has not transferred any Financial assets which are transferred but are not derecognised in books of accounts.

(Currency: ₹ in million)

3.06 Investments *(Continued)*

Details of investments made scripwise are as follows:

	At fair value		At cost	
Details of Investments	**31.03.2022**	**31.03.2021**	**31.03.2022**	**31.03.2021**
1,233,616 (31 March 2021: 1,233,616) Aviva Life Insurance Company India Ltd.#	40	39	25	25
31,013 (31 March 2021: 31,013) Aditya Birla Sun Life Liquid Fund- Direct Plan Growth	11	10	10	10
Nil (31 March 2021: 1,509,522) Aditya Birla Sun Life Liquid Fund- Direct Plan Growth *	-	501	-	500
Nil (31 March 2021: 82,241)BNP Paribas Liquid Fund - Direct Plan Growth (LF-DG)	-	260	-	260
1,587,876 (31 March 2021: 1,643,034)ICICI Prudential Liquid Fund-Direct Plan Growth*	501	501	500	488
33,750 (31 March 2021: 33,750)ICICI Prudential Liquid Fund-Direct Plan Growth	11	10	10	10
1,926 (31 March 2021: 31,883)Nippon India Liquid Fund -Direct Plan Growth	10	160	10	160
150,181 (31 March 2021: 77,636) SBI Liquid Fund-Direct Growth*	501	250	500	245
3,189 (31 March 2021: 3189) SBI Liquid Fund-Direct Growth	11	10	10	10
2,628(31 March 2021: 12,194) Kotak Liquid Fund - Direct Growth	11	51	11	50
117,069 (31 March 2021: 120,331) Kotak Liquid Fund - Direct Growth*	504	500	500	500
211,855 (31 March 2021: Nil) Axis mutual fund - Direct Growth*	501	-	500	-
Nil (31 March 2021: 23,103) Mirae asset management fund - Direct Growth	-	50	-	50
	2,099	**2,343**	**2,076**	**2,308**

Investment is earmarked against compensated absences

* Investment includes - pledged with exchanges towards capital adequacy ₹2,007 (31 March 2021 ₹ 1,752), Cost being ₹ 2,000 (31 March 2021 ₹1,732)

(Currency: ₹ in million)

3.07 Other Financial Assets

	As at 31.03.2022	As at 31.03.2021
Unsecured, considered good (unless otherwise stated)		
Security and other deposits (Refer note (a) below)		
(a) considered good	230	273
(b) considered doubtful	87	75
	317	348
Less: Allowance for credit losses	87	75
	230	**273**
Others		
Advance to staff	3	4
	3	**4**
Total	**233**	**277**

(a)	Of the above,		
	Deposits kept under arbitration (net of provision ₹69 (31 March 2021 ₹ 71))	16	34
	Deposits kept with exchange (net of provision ₹ Nil)	37	37

(b) No advances in the nature of loans have been granted to promoters, directors, key managerial personnel and the related parties either severally or jointly with any other person:-
a) Repayable on demand
b) Without specifying any terms or period of repayment

(Currency: ₹ in million)

3.08 Property, Plant and Equipment

Description	Office Premises	Furniture and Fixtures	Vehicles*	Ofice Equipments	Computers	Leasehold Improvements - Furniture and Fixtures	Electrical fitting and generator	Air conditioners	Total
I. Gross Block									
Balance as at April 1, 2020	623	204	-	94	994	167	110	86	2,278
Additions	-	6	-	2	245	9	5	3	270
Disposals	-	2	-	1	11	4	2	2	22
Balance as at March 31, 2021	**623**	**208**	**-**	**95**	**1,228**	**172**	**113**	**87**	**2,526**
Additions	-	2	-	2	66	3	2	1	76
Disposals	-	1	-	26	96	2	1	2	128
Balance as at March 31, 2022	**623**	**209**	**-**	**71**	**1,198**	**173**	**114**	**86**	**2,474**
II. Accumulated Depreciation and impairment									
Balance as at April 1, 2020	313	115	-	64	678	99	54	37	1,360
Depreciation / amortisation charge for the year	29	28	-	17	199	17	14	11	315
Eliminated on disposal of assets	-	2	-	1	12	4	1	1	21
Balance as at March 31, 2021	**342**	**141**	**-**	**80**	**865**	**112**	**67**	**47**	**1,654**
Depreciation / amortisation charge for the year	29	12	-	9	154	9	7	6	226
Eliminated on disposal of assets	-	1	-	24	96	1	1	2	125
Balance as at March 31, 2022	**371**	**152**	**-**	**65**	**923**	**120**	**73**	**51**	**1,755**
III. Net block (I-II)									
Balance as at March 31, 2022	**252**	**57**	**-**	**6**	**275**	**53**	**41**	**35**	**719**
Balance as at March 31, 2021	**281**	**67**	**-**	**15**	**363**	**60**	**46**	**40**	**872**

* represents amount less than ₹ 1 million

(a) The title deeds of all immovable properties are held in the name of the Holding Company "Sharekhan Limited" and are not held in the name of any promoter / director or relative of promoter / director or employee of promoter / director. The details of immovable properties are as follows:

Name of the Property	**Date since held**
Ruby Corporate office	14.July.2011
Lodha Registered Office	01.March.2010

(b) There have been no acquisitions through business combinations and no revaluation of Property, plant and equipment during the year ended 31 March 2022 and 31 March 2021.

3.09 Capital work-in-progress

CWIP ageing schedule

Particulars	**Outstanding as at March 31, 2022**				
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Projects in Progress	6	2	1	-	9
Projects temporarily suspended	-	-	-	-	-
	6	**2**	**1**	**-**	**9**

Particulars	**Outstanding as at March 31, 2021**				
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Projects in Progress	12	4	-	-	16
Projects temporarily suspended	-	-	-	-	-
	12	**4**	**-**	**-**	**16**

(Currency: ₹ in million)

3.10 Other Intangible assets

Description	Computer Software	Web development infrastructure	Goodwill and non compete fees (Refer note 7)	Membership rights	Trademark	License franchisee Online Trading Academy	Total
I. Gross Block							
Balance as at April 1, 2020	654	162	78	2	*	31	**927**
Additions	19	-	-	-	-	-	**19**
Transfer to assets held for sale	-						**-**
Disposals	-	-	-	-	-	-	**-**
Balance as at March 31, 2021	**673**	**162**	**78**	**2**	*****	**31**	**946**
Additions	56	-	-	-	-	-	**56**
Disposals	2	-	-	-	-	-	**2**
Balance as at March 31, 2022	**727**	**162**	**78**	**2**	*****	**31**	**1,000**
II. Accumulated amortisation							
Balance as at April 1, 2020	516	162	78	2	*	24	**782**
Amortisation charge for the year	77	-	-	-	-	2	**79**
Eliminated on disposal of assets	-	-	-	-	-	-	**-**
Balance as at March 31, 2021	**593**	**162**	**78**	**2**	*****	**26**	**861**
Amortisation charge for the year	64	-	-	-	-	-	**64**
Eliminated on disposal of assets	2	-	-	-	-	-	**2**
Balance as at March 31, 2022	**655**	**162**	**78**	**2**	*****	**26**	**923**
III. Net block (I-II)							
Balance as at March 31, 2022	**72**	**-**	**-**	**-**	*****	**5**	**77**
Balance as at March 31, 2021	**80**	**-**	**-**	**-**	*****	**5**	**85**

* represents amount less than ₹ 1 million

(a) There have been no acquisitions through business combinations and no revaluation of intangible assets during the year ended 31 March 2022 and 31 March 2021.

3.11 Right -of-use assets

	31.03.2022
I. Gross Block	
Balance as at April 1, 2020	1,160
Additions	85
Disposals	130
Balance as at March 31, 2021	**1,115**
Additions	155
Disposals	137
Balance as at March 31, 2022	**1,133**
II. Accumulated amortisation	
Balance as at April 1, 2020	468
Amortisation charge for the year	214
Eliminated on disposal of assets	110
Balance as at March 31, 2021	**572**
Amortisation charge for the year	209
Eliminated on disposal of assets	132
Balance as at March 31, 2022	**649**
III. Net block (I-II)	
Balance as at March 31, 2022	**484**
Balance as at March 31, 2021	**543**

3.12 Other non-financial assets

	As at 31.03.2022	**As at 31.03.2021**
Unsecured and considered good, unless otherwise stated		
Capital advances		
(a) considered good	10	12
(b) considered doubtful	-	3
	10	15
Less: Allowance for credit losses	-	3
	10	12
Prepaid Expenses	190	144
Stamps in hand	2	1
Input credit	68	52
Others	22	-
Total	**292**	**209**

* represents amount less than ₹ 1 million

(Currency: ₹ in million)

3.13 Payables

	As at 31.03.2022	As at 31.03.2021
(I) Trade Payables		
(i) total outstanding dues of micro enterprises and small enterprises	1	7
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	22,864	19,744
(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	2	1
Total	**22,867**	**19,752**

Payables Ageing Schedule:-
For the year ended 31 March 2022

Particulars		Outstanding for following periods from due date of payment				Total
	Unbilled	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	1	-	-	-	**1**
(ii) Others	636	21,998	83	37	112	**22,866**
(iii) Disputed Dues - MSME	-	-	-	-	-	**-**
(iv) Disputed Dues - Others	-	-	-	-	-	**-**

Payables Ageing Schedule:-
For the year ended 31 March 2021

Particulars		Outstanding for following periods from due date of payment				Total
	Unbilled	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	7	-	-	-	**7**
(ii) Others	573	18,983	32	43	114	**19,745**
(iii) Disputed Dues - MSME	-	-	-	-	-	**-**
(iv) Disputed Dues - Others	-	-	-	-	-	**-**

Disclosure of amounts due to Micro, Small and Medium enterprises is based on information available with the Company regarding the status of the suppliers as defined under 'The Micro, Small and Medium Enterprises Development Act, 2006' (MSMED). This has been relied upon by the auditors.

3.14 Borrowings (other than debt securities)

	As at 31.03.2022	As at 31.03.2021
At amortised cost		
Commercial Paper (unsecured)	16,580	6,330
Loan from Bank (secured)	1,450	-
Total	**18,030**	**6,330**
Borrowing in India (at amortised cost)	18,030	6,330
Borrowing outside India (at amortised cost)	-	-
	18,030	**6,330**

External commercial borrowings Unsecured*

Nature	As at	Repayment Term	Tenure	Interest Range	Balance as at March 31, 2022	Balance as at March 31, 2021
Commercial Paper	31-Mar-22	At Maturity	56 days to 215 days	3.70%-4.95%	16,580	-
Commercial Paper	31-Mar-21	At Maturity	upto 6 months	4.15%	-	6,330

Loan from Bank : Secured*

Nature	Nature of Security	Repayment Term	Tenure	Interest Range	Balance as at March 31, 2022	Balance as at March 31, 2021
Working Capital Demand Loan	Current Assets	At Maturity	4 days	4.80%	1,450	-

* All the borrowings are utilised for the pupose for which they were borrowed
There are no default in repayment of borrowings and interest as on 31 March 2022 and as on 31 March 2021.

3.15 Lease liabilities (at amortised cost)

Balance at the beginning	615	755
Addition	148	82
Finance cost accrued during the period	51	61
Deletion	(6)	(26)
Payment of Lease liabilities	(256)	(257)
	552	**615**

(Currency: ₹ in million)

3.16 Other financial liabilities

	As at 31.03.2022	As at 31.03.2021
Margin Money	933	526
Advance from customers	6	5
Payable for capital expenditure	3	2
Other financial liabilities	5	21
Total	**947**	**554**

In order to secure the performance by the clients of their obligations, commitments and liabilities, securities are placed as margins by creation of pledge in favour of / transfer to the individual Company in the Group's depository account. Such securities are held by the individual Company in the Group in fiduciary capacity on behalf of its clients and are not recognised in the consolidated financial statements. In case such margin is received in form of funds, the same is disclosed under other financial liabilities.

3.17 Provisions

	As at 31.03.2022	As at 31.03.2021
Provisions for employee benefits		
Gratuity (funded)	234	177
Compensated absences (unfunded)	160	143
Long term incentive plan (unfunded)	127	126
	521	**446**

3.18 Other Non-Financial Liabilities

	As at 31.03.2022	As at 31.03.2021
Revenue received in advance	14	13
Statutory liabilities	242	208
Employee related expenses payable	243	228
Others	4	6
Total	**503**	**455**

(Currency: ₹ in million)

3.19 Equity share capital

Particulars

	No. of Shares	Amount	No. of Shares	Amount
Authorised Capital				
Equity Shares of par value ₹10/- each	79,644,833	796	79,644,833	796
Preference shares of ₹10 /- each	10,355,167	104	10,355,167	104
	90,000,000	**900**	**90,000,000**	**900**
Issued, subscribed and fully paid up				
Equity Shares of par value ₹10/- each fully paid up	58,746,178	587	58,746,178	587
	58,746,178	**587**	**58,746,178**	**587**

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

Particulars	As at 31.03.2022		As at 31.03.2021	
	No. of Shares	Amount	No. of Shares	Amount
Equity Shares of par value ₹10/- fully paid up				
Outstanding at the beginning of the year	58,746,178	587	58,746,178	587
Add: Issued during the year	-	-	-	-
Less: Bought back during the year	-	-	-	-
Outstanding at the end of the year	**58,746,178**	**587**	**58,746,178**	**587**

(b) Rights, preferences and restrictions attached to each class of shares including restrictions on the distribution of dividends and the repayment of capital:

The Holding Company has only one class of equity shares having a par value of ₹10/- per share. Each holder of equity share is entitled to one vote for every share held in the meeting of equity shareholders. Accordingly, all equity shares rank equally with regard to dividends and share in the Holding Company's residual assets. The equity shareholders are entitled to receive dividend as declared from time to time. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In case of liquidation of the Holding Company, the holders of equity shares will be entitled to receive the residual assets of the Holding Company, after distribution of all preferential amounts in proportion to the number of equity shares held.

(c) Shares held by its promoters or Holding Company or subsidiary of Holding Company:

Particulars	Name & Nature of Relationship	As at 31.03.2022 Amount	As at 31.03.2021 Amount
42,746,033 (March 31, 2021: 42,746,033) equity shares of ₹10/- each	BNP Paribas SA, Holding Company	427	427
16,000,140 (March 31, 2021: 16,000,140) equity shares of ₹ 10/- each	Human Value Developers Private Limited, Subsidiary of Holding Company	160	160

(d) Details of the Shareholders holding more than 5 % of the shares in the Holding Company :

Particulars	As at 31.03.2022		As at 31.03.2021	
	% of Holding	No. of Shares held	% of Holding	No. of Shares held
Equity Shares				
BNP Paribas SA, Holding Company	72.76%	42,746,033	72.76%	42,746,033
Human Value Developers Private Limited, Subsidiary of Holding Company	27.24%	16,000,140	27.24%	16,000,140

(Currency: ₹ in million)

(e) For the period of five years immediately preceding the date at which the Balance Sheet is prepared:
(i) Aggregate number and class of shares allotted as fully paid up pursuant to contract without payment being received in cash - NIL
(ii) Aggregate number and class of shares allotted as fully paid up by way of bonus shares - NIL; and
(iii) Aggregate number and class of shares bought back - Nil

3.20 Other Equity

Particulars	**As at 31.03.2022**	**As at 31.03.2021**
Capital Redemption Reserve		
Balance at the end of the year	**30**	**30**
Securities Premium account		
Balance at the end of the year	**4,093**	**4,093**
Statutory reserve		
Balance at the begining of the year	**334**	**243**
Add: Amount transferred from Retained Earnings (45 IC of RBI ACT, 1934)	128	91
Balance at the end of the year	**462**	**334**
Retained Earnings		
Balance at the begining of the year	**8,844**	**12,783**
Add: Profit for the year	2,645	2,144
Less: Dividend Paid	(441)	(5,992)
Less: Amount transferred to Statutory Reserves (45 IC of RBI ACT, 1934)	(128)	(91)
Balance at the end of the year	**10,920**	**8,844**
Other Comprehensive Income		
Balance at the begining of the year	**(63)**	**(55)**
Remeasurement of defined benefit plans	(29)	(11)
Tax on remeasurement of defined benefit plans	7	3
Balance at the end of the year	**(85)**	**(63)**
	15,420	**13,238**

Nature of reserves

a) Capital Redemption Reserve

Capital Redemption Reserve was created by the Holding Company in 2009 when it had bought back its own shares in circumstance that resulted in a reduction of Share capital. It is a reserve that cannot be distributed to the shareholder

b) Securities premium reserve

Securities premium reserve represent premium on issue of shares. The reserve will be utilised in accordance with the provisions of the Companies Act, 2013.

c) Statutory reseve

It represent reserve created under Section 45-IC of the Reserve Bank of India Act,1934, as amended by RBI (Amendment) Act, 1997, whereby every non banking financial Group is required to transfer a sum of not less than 20 % of its net profit every year as disclosed in the statement of profit and loss.

d) Retained Earnings

Retained earnings are the profits that the Group has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

(Currency: ₹ in million)

3.21 Interest Income

Particulars	**Year Ended 31.03.2022**	**Year Ended 31.03.2021**
Interest income on financial asset measured at amortised cost		
- Interest charge to clients	1,784	1,324
- Interest on exchange margin funding	863	271
- Interest on deposits with banks	1,007	836
- Interest on security deposits	9	8
- Interest on staff loans	2	1
- Interest other	*	1
Total	**3,665**	**2,441**

* represents amount less than ₹ 1 million

3.22 Fee and commission Income

Particulars	**Year Ended 31.03.2022**	**Year Ended 31.03.2021**
Brokerage income	8,347	7,334
Management fees from portfolio management services	21	25
Depository income	324	261
Advisory fees	-	6
Income from initial public offer / mutual fund services	491	298
Training fees	261	248
Referral income	25	-
Processing fees	17	27
Other operating revenues	2	3
Total	**9,488**	**8,202**

3.23 Net gain / (loss) on fair value changes

Particulars	**Year Ended 31.03.2022**	**Year Ended 31.03.2021**
Net gain/ (loss) on financial instruments at fair value through profit or loss		
(i) On trading portfolio	-	-
(ii) On financial instruments designated at fair value through profit or loss	84	128
Total Net gain/(loss) on fair value changes	**84**	**128**
Fair Value changes:		
-Realised	96	109
-Unrealised	(12)	19
Total Net gain on fair value changes	**84**	**128**

3.24 Other income

Particulars	**Year Ended 31.03.2022**	**Year Ended 31.03.2021**
Miscellaneous income	9	20
Total	**9**	**20**

3.25 Finance cost

Particulars	**Year Ended 31.03.2022**	**Year Ended 31.03.2021**
On financial liabilities measured at amortised cost		
Discount on commercial paper	815	241
Interest on margin deposit	30	20
Bank guarantee charges	22	8
Bank interest	8	8
Interest on lease liability	51	61
Other finance costs	15	13
Total	**941**	**351**

(Currency: ₹ in million)

3.26 Fee and Commission expenses

Particulars	Year Ended 31.03.2022	Year Ended 31.03.2021
Introductory fees	2,332	1,837
Total	**2,332**	**1,837**

3.27 Impairment of financial instruments

Particulars	Year Ended 31.03.2022	Year Ended 31.03.2021
On financial instruments measured at amortised cost:		
(a) Loans	31	(4)
(b) Others		
- On trade receivables	(9)	31
- On deposits	13	15
(c) Recovery of bad debt	-	(10)
Total	**35**	**32**

3.28 Employee benefits

Particulars	Year Ended 31.03.2022	Year Ended 31.03.2021
Salaries and wages	2,596	2,227
Gratuity	50	41
Compensated absences	28	43
Contribution to provident and other funds	141	132
Staff welfare expenses	20	15
Long term incentive plan	50	23
Other employee cost	55	32
Total	**2,940**	**2,513**

3.29 Depreciation, amortization and impairment

Particulars	Year Ended 31.03.2022	Year Ended 31.03.2021
Depreciation on property, plant and equipment	226	315
Amortisation on intangible assets	66	79
Depreciation on right -of-use asset	208	213
Total	**500**	**607**

(Currency: ₹ in million)

3.30 Other expenses

Particulars	**Year Ended 31.03.2022**	**Year Ended 31.03.2021**
Rent	17	19
Electricity	51	53
Clearing house expenses	798	744
Depository expenses	95	86
Bad debt written off	-	4
Settlement loss #	18	14
Securities and Exchange Board of India fees	12	8
Royalty fees	26	17
Course content fees	9	17
Repairs and maintenance :	-	-
Building	29	27
Machinery	10	13
Others	5	4
Insurance	6	4
Legal and professional fees	67	63
Information technology	464	476
Travelling and conveyance	17	36
Communication expenses	36	38
Staff recruitment charges	30	10
Rates and taxes	5	16
Membership and subscriptions	39	45
Net loss on sale of property, plant and equipment	2	1
Bank charges	6	6
Postage, courier, printing and stationery	26	24
Marketing and sales promotion	633	413
Retainership fees	451	377
Corporate Social Responsibility	33	24
Foreign exchange loss *	-	-
Payments to auditors	-	-
Audit fees	7	6
Reimbursement of out of pocket expenses*	-	-
Miscellaneous expenses	37	22
Total	**2,929**	**2,567**

* represents amount less than ₹ 1 million

Settlement loss represents the loss incurred in normal course of the business due to system / employee errors or loss on account of trades not confirmed by clients.

(Currency: ₹ in million)

3.31 Tax reconciliations

A Tax expense from continuing operations

	Year Ended 31.03.2022	Year Ended 31.03.2021
Current tax		
- Current period	990	832
- Changes in estimates related to prior years	12	11
Deferred tax	(78)	(103)
Total	**924**	**740**

Effective tax rate reconciliation

	Year Ended 31.03.2022	Year Ended 31.03.2021
Profit before tax	3,569	2,884
Group's domestic tax rate:	25.17%	25.17%
Tax using the Group's domestic tax rate	915	726
Adjustment in respect of current income tax of prior years	12	11
Effect of:		
Non-deductible expenses	(6)	6
Change in unrecognised temporary differences	6	(3)
Dividend Income	(3)	-
TOTAL	**924**	**740**

B Deferred tax asset (net)

Particulars	**As at 31.03.2022**	**As at 31.03.2021**
Tax effect of items constituting deferred tax assets / (liabilities)		
Property, plant and equipment and intangibles	1	3
Unrealised gain on securities carried at fair value through profit or loss	(6)	(9)
Property, plant and equipment and intangibles	44	40
Provision for compensated absences, gratuity and other employee benefits	174	155
Provision for doubtful debts and advances	95	97
Provisions for Standard Assets	12	7
Right of use asset	17	18
Secuirty Deposit	5	5
Provision for Diminution in value of Long Term Investment	(2)	(2)
Brought forward losses	114	55
Deferred tax asset (net)	**454**	**369**

Reconciliation

Particulars	**As at 31.03.2022**	**As at 31.03.2021**
Opening Balance of Deferred tax	369	264
(Debit) / Credit to Profit & Loss/ retained earnings	78	103
Recognised in/ reclassified from other comprehensive income	7	3
Closing balance of Deferred tax	**454**	**369**

(Currency: ₹ in million)

		Year ended 31.03.2022	Year ended 31.03.2021
4	**Earnings per share ('EPS')**		
	The computation of EPS is given below :		
	Net profit for the year	2,645	2,144
	a) Basic EPS		
	Number of shares at the beginning of the year	58,746,178	58,746,178
	Total number of equity shares outstanding as at year end	58,746,178	58,746,178
	Weighted average number of equity shares outstanding during the year	58,746,178	58,746,178
	Basic earnings per equity share from total operations (in ₹)	**45.02**	**36.50**
	b) Diluted EPS		
	Calculation of weighted average number of equity shares		
	Weighted average number of equity shares outstanding during the year	58,746,178	58,746,178
	Weighted average number of diluted equity shares	58,746,178	58,746,178
	Diluted earnings per equity share from total operations (in ₹)	**45.02**	**36.50**

5 **Contingent liabilities**
(to the extent not provided for)

The Group has contingent liabilities of ₹36 as at 31st March, 2022 (31st March, 2021: ₹29) in respect of income tax matters. The Group has reviewed all its pending litigations and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in its consolidated financial statements.

6	**Capital commitments** *(to the extent not provided for)*	**As at 31.03.2022**	**As at 31.03.2021**
	Estimated value of contracts in capital account to be executed and not provided for (net of capital advances ₹10 (31 March 2021: ₹15))	38	32
	Undrawn credit limit in respect of the loans granted	5,278	4,624

7 **Intangible assets**

Goodwill

The goodwill represents the amount paid by the Group, for acquisition of business of franchisees, over and above the fair value of tangible assets.

Non-compete fees

The non-compete fees represents the amount paid by the Group to respective franchisees for not undertaking any transactions of purchase and sale of securities on any stock exchange for, or on behalf of any clients, through any stock broker other than the Group for the period mutually agreed.

Licence fees

License fees represents the amount paid by the group to OTA Franchise Corporation for operating Online Trading Academies in the approved territories for the period of 10 years.

8 **Operating leases - Ind AS 116**

Assets taken on Lease :
Maturity Analysis of Lease Liabilities
The Group has taken office premises on operating lease.

Contractual undiscounted cash flows	**As at 31.03.2022**	**As at 31.03.2021**
In less than a year	213	241
In 1 year to 5 years	600	477
In more than 5 years	31	25
Total undiscounted lease liabilities at 31st March, 2022	**844**	**743**
Lease liabilities included in the statement of financial position at 31 March 2022	**552**	**615**
Current	173	194
Non-current	379	421

Amount recognised in profit or loss

Particulars	**Year ended 31.03.2022**	**Year ended 31.03.2021**
Depreciation on right -of-use asset	208	213
Interest on lease liabilities	51	61
Expenses relating to short-term leases	17	19
	276	293

(Currency: ₹ in million)

9 Employee retirement benefits

A. Defined contribution plans

The Group makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident Fund, which is a defined contribution plan. The Group has no other obligations. The contributions are charged to the statement of profit and loss as they accrue. The amount recognised as an expense towards contribution to Provident Fund for the year are summarised below.

	31.03.2022	31.03.2021
Group's contribution to:		
Provident Fund	141	132
	141	**132**

B. Defined benefit plan

Retirement Gratuity

The Group has a defined benefit gratuity plan in India. Gratuity is a lumpsum payment. The retirement gratuity plan of Holding Company is funded. The Holding Company's defined benefit gratuity plan is a final salary plan for employees, which requires contributions to be made to a separately administered fund. The fund is managed by an insurance company and the assets are invested in their unit linked group gratuity product. The Trustees are responsible for the investment of the assets of the Trust as well as the day to day administration of the scheme.

In case of subsidiary companies of whose gratuity plan is unfunded the plan is a final salary plan for employees that is paid by resepctive companies as and when it is due and is paid as per the Gratuity Scheme.

The Group accounts for the liability for gratuity benefits payable in the future based on an actuarial valuation. Actuarial gains/losses are recognized in the period of occurrence under Other Comprehensive Income (OCI). The following tables summarise the components of net benefit expense recognised in the consolidated statement of profit or loss and the funded status and amounts recognised in the consolidated balance sheet for the respective plans:

	31.03.2022	31.03.2021
Principal actuarial assumptions a the balance sheet date :		
Mortality table	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Discount rate	6.10% - 6.80%	5.75% - 7.64%
Salary escalation (p.a.)	10.00%	10.00%
Employee attrition rate	10%-20%	10%-20%
Changes in the defined benefit obligation :		
Opening defined benefit obligation	413	359
Current service cost	40	34
Past service cost	-	-
Interest on defined benefit obligation	23	21
Acquisition (credit)/cost	1	-
Remeasurements due to:		
Actuarial loss / (gain) arising from changes in financial assumptions	(7)	5
Actuarial loss / (gain) arising from changes in demographic assumptions	-	-
Actuarial loss / (gain) arising on account of experience changes	33	11
Benefits paid	(22)	(17)
Closing defined benefit obligation	**481**	**413**
Change in fair value of plan assets :		
Opening fair value of plan assets	236	218
Contribution by employer	-	-
Interest on plan asset	14	13
Remeasurements due to:		
Actual return on plan assets less interest on plan assets	(3)	5
Benefits paid	-	-
Fair value of plan assets as at end of the year	**247**	**236**
Amount recognised in Balance Sheet :		
Present value of funded defined benefit obligation	455	391
Present value of unfunded defined benefit obligation	26	22
Fair value of plan assets	(247)	(236)
Net liability recognised in Balance Sheet	**234**	**177**
Profit and loss account expense :		
Current service cost	40	34
Past service cost	-	-
Interest on net defined liability	10	7
Total expense charged to profit and loss account	**50**	**41**

(Currency: ₹ in million)

9 Employee retirement benefits *(Continued)*

Amount recorded in Other Comprehensive Income (OCI)		
Remeasurements during the period due to:		
Changes in financial assumptions	(7)	5
Changes in demographic assumptions	-	-
Experience adjustments	33	11
Actual return on plan assets less return on plan assets	3	(5)
Amount recognised in OCI	**29**	**11**
Category of Assets		
Investments quoted in active market	247	236
Unquoted investments :		
Insurer managed funds	-	-
	247	**236**

Sensitivity Analysis :

The following table summarizes the change in defined benefit obligation and impact in percentage terms compared with the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption by 100 basis points.

	31.03.2022	31.03.2021
Projected Benefit Obligation on Current Assumptions	481	413
Delta Effect of +1% Change in Rate of Discounting	(20)	(18)
Delta Effect of -1% Change in Rate of Discounting	22	20
Delta Effect of +1% Change in Rate of Salary Increase	17	16
Delta Effect of -1% Change in Rate of Salary Increase	(16)	(15)
Delta Effect of +1% Change in Rate of Employee Turnover	(3)	(3)
Delta Effect of -1% Change in Rate of Employee Turnover	3	3

Method used for sensitivity analysis: The sensitivity results above determine their individual impact on the Plan's end of year Defined Benefit Obligation. In reality, the Plan is subject to multiple external experience items which may move the Defined Benefit Obligation in similar or opposite directions, while the Plan's sensitivity to such changes can vary over time.

Projected Plan Cash Flow :

The table below shows the expected cash flow profile of the benefits to be paid to the current membership of the plan based on past service of the employees as at the valuation date :

Maturity Profile		
Expected benefits for year 1	93	75
Expected benefits for year 2	96	72
Expected benefits for year 3	92	73
Expected benefits for year 4	81	70
Expected benefits for year 5	81	64
Expected benefits for 6 to 10 years	313	266
Beyond 10 years	-	-

Risk Associated with Defined Benefit Plan

Gratuity is a defined benefit plan and Group is exposed to the Following Risks :

Interest Rate Risk : The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

Salary Risk : Higher than expected increases in salary will increase the defined benefit obligation.

Demographic Risk: This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

Investment Risk and Asset Liability Risk : The fund value is subject to market risk as the price of the units may go up or down on any given day. Although we know that the fund manager invests the funds as per products approved by IRDA and investment guidelines as stipulated under section 101 of IT Act, the exact asset mix is unknown and not publicly available. The trust assets managed by the fund manager are highly liquid in nature and we do not expect any significant liquidity risks.

During the year, there were no plan amendments, curtailments and settlements.

C. Other long term benefits

1) Amount recognised as a liability in respect of compensated leave absence as per actuarial valuation as on 31st March, 2022 is ₹ 160 (previous year ₹ 143).

2) Amount recognised as a liability in respect of long term incentive plan as per management estimates / actuarial valuation as on 31st March, 2022 is ₹ 127 (previous year ₹ 126)

(Currency: ₹ in million)

10 Disclosures pursuant to Ind AS 115 "Revenue from Contracts with Customers"

Set out below is the disaggregation of the Group's revenue from contracts with customers and reconciliation to profit and loss account:

Particulars	For the year ended 31st March, 2022									
	Brokerage income	Management fees from portfolio management services	Depository income	Income from initial public offer / mutual fund services	Advisory fees	Training fees	Referral income	Processing fees	Other operating revenues	Total
Total revenue from operations	8,347	21	324	491	-	261	25	17	2	9,488
Geographical markets:										
India	8,347	21	324	491	-	261	25	17	2	9,488
Outside India	-	-	-	-	-	-	-	-	-	-
Total revenue from operations	**8,347**	**21**	**324**	**491**	**-**	**261**	**25**	**17**	**2**	**9,488**
Timing of revenue recognition:										
Services transferred at a point in time	8,347	21	324	491	-	261	25	17	2	9,488
Services transferred over time	-	-	-	-	-	-	-	-	-	-
Total revenue from operations	**8,347**	**21**	**324**	**491**	**-**	**261**	**25**	**17**	**2**	**9,488**

Particulars	For the year ended 31st March, 2021									
	Brokerage income	Management fees from portfolio management services	Depository income	Income from initial public offer / mutual fund services	Advisory fees	Training fees	Referral income	Processing fees	Other operating revenues	Total
Total revenue from operations	7,334	25	261	298	6	248	-	27	3	8,202
Geographical markets:										
India	7,334	25	261	298	6	248	-	27	3	8,202
Outside India	-	-	-	-	-	-	-	-	-	-
Total revenue from operations	**7,334**	**25**	**261**	**298**	**6**	**248**	**-**	**27**	**3**	**8,202**
Timing of revenue recognition:										
Services transferred at a point in time	7,334	25	261	298	6	248	-	27	3	8,202
Services transferred over time	-	-	-	-	-	-	-	-	-	-
Total revenue from operations	**7,334**	**25**	**261**	**298**	**6**	**248**	**-**	**27**	**3**	**8,202**

Contract balances:	As at 31st March, 2022	As at 31st March, 2021
Trade receivables	2,420	2,812
Loan to customers	20,235	10,304
Contract assets	-	-
Contract liabilities	-	-
Revenue recognised in the period from:		
Amounts included in contract liability at the beginning of the period	-	-
Performance satisfied in previous periods	-	-

Information of Revenue from Major customers

There are no customer contributing in excess of 10% of the total revenue of the Group.

(Currency: ₹ in million)

11 Maturity analysis of assets and laibilities

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

Particulars	As at March 31, 2022			As at March 31, 2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial Assets						
Cash and cash equivalents	4,318	-	4,318	5,836	-	5,836
Bank Balance other than cash and cash equivalents	27,067	-	27,067	17,301	6	17,307
Trade receivables	2,420	-	2,420	2,812	-	2,812
Other Receivables	984	-	984	1,017	-	1,017
Loans	20,064	175	20,239	10,263	46	10,309
Investments	2,099	-	2,099	2,343	-	2,343
Other financial assets	92	141	233	64	213	277
Non-financial assets						
Current tax assets (Net of provision for tax)	52	118	170	-	164	164
Deferred tax assets (net)	14	440	454	-	369	369
Property, Plant and Equipment	-	719	719	-	872	872
Capital work-in-progress	9	-	9	16	-	16
Other intangible assets	-	77	77	85	-	85
Right of -use asset	175	309	484	344	199	543
Other non financial assets	242	50	292	160	49	209
Total Assets	**57,535**	**2,030**	**59,565**	**40,241**	**1,918**	**42,159**
			-			-
Financial Liabilities						
Trade payables						
(i) total outstanding dues of micro enterprises and small enterprises	1	-	1	7	-	7
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	22,864	-	22,864	19,744	-	19,744
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	2	-	2	1	-	1
Borrowing (Other than Debt securities)	18,030	-	18,030	6,330	-	6,330
Lease Liabilities	173	379	552	194	421	615
Other financial liabilities	947	-	947	554	-	554
Non-financial liabilities						
Current tax liabilities (Net)	138	-	138	182	-	182
Provisions	71	450	521	423	23	446
Other non-financial liabilities	503	-	503	455	-	455
Total Liabilities	**42,729**	**829**	**43,558**	**27,890**	**444**	**28,334**
Net	**14,806**	**1,201**	**16,007**	**12,351**	**1,474**	**13,825**

(Currency: ₹ in million)

12 Disclosure on Financial Instruments

A. Accounting classification and fair values

The following tables presents the carrying value and fair value of each category of financial assets and liabilities as at March 31, 2022 and as at March 31, 2021

As at 31st March, 2022

Particulars	Financial instruments at amortised cost	Fair value through profit or loss	Fair value through other comprehensive income	Total
Financial Assets				
Cash and cash equivalents	4,318	-	-	4,318
Bank Balance other than cash and cash equivalents	27,067	-	-	27,067
Trade receivables	2,420	-	-	2,420
Other receivables	984	-	-	984
Loans	20,239	-	-	20,239
Investments	-	2,099	-	2,099
Other financial assets	233	-	-	233
	55,261	**2,099**	**-**	**57,360**
Financial Liabilities				
Trade payables				
(i) total outstanding dues of micro enterprises and small enterprises	1	-	-	1
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	22,864	-	-	22,864
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	2	-	-	2
Borrowing (Other than Debt securities)	18,030			18,030
Lease liabilities	552			552
Other financial liabilities	947	-	-	947
	42,396	**-**	**-**	**42,396**

As at 31st March, 2021

Particulars	Financial instruments at amortised cost	Fair value through profit or loss	Fair value through other comprehensive income	Total
Financial Assets				
Cash and cash equivalents	5,836	-	-	5,836
Bank Balance other than cash and cash equivalents	17,307	-	-	17,307
Trade receivables	2,812	-	-	2,812
Other receivables	1,017	-	-	1,017
Loans	10,309	-	-	10,309
Investments	-	2,343	-	2,343
Other financial assets	277	-	-	277
	37,558	**2,343**	**-**	**39,901**
Financial Liabilities				
Trade payables				-
(i) total outstanding dues of micro enterprises and small enterprises	7	-	-	7
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	19,744	-	-	19,744
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	1	-	-	1
Borrowing (Other than Debt securities)	6,330	-	-	6,330
Lease liabilities	615			615
Other financial liabilities	554	-	-	554
	27,251	**-**	**-**	**27,251**

(Currency: ₹ in million)

12 Disclosure on Financial Instruments *(Continued)*

Fair value of all above components except investments approximate their carrying amounts largely due to current maturities of these instruments. Accordingly, fair value hierarchy for these financial instruments have not been presented above.

B. Fair Value Heirarchy

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consist of the following three levels:
Level 1 - Quoted prices in an active market: This level of hierarchy includes financial assets and liabilities that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 - Valuation techniques with observable inputs: This level of hierarchy includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e.; as prices) or indirectly (i.e.; derived from prices).
Level 3 - Valuation techniques with significant unobservable inputs: This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

The financial instruments included in Level 2 of fair value hierarchy have been valued using quotes available for similar assets and liabilities in the active market.

The following table summarises financial assets and liabilities measured at fair value on a recurring basis and financial assets that are not measured at fair value on a recurring basis:

As at March 31, 2022

	Level 1	Level 2	Level 3
Financial Assets			
Investments in mutual funds	-	2,059	-
Investments in other funds	-	40	-
		2,099	**-**

As at March 31, 2021

	Level 1	Level 2	Level 3
Financial Assets			
Investments in mutual funds	-	2,304	-
Investments in other funds	-	39	-
	-	**2,343**	**-**

The following table shows the valuation techniques used in measuring Level 1, Level 2 and Level 3 fair values for financial instruments measured at fair value in the balance sheet, as well as the significant unobservable inputs used.

Type	Valuation technique
Investments in mutual funds	Published Net Asset Value
Investments in other funds	Published Net Asset Value

There have been no transfers between Level 1 and Level 2 for the years ended 31st March, 2022 and 31st March, 2021

(Currency: ₹ in million)

13 Financial instruments and associated risks

The Group has exposure to the following risks from its use of financial instruments:
a) market risk
b) credit risk
c) liquidity risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the related impact in the consolidated financial statements.

The Board of Directors have overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

a) Market risk

Market risk is the risk of any loss in future earnings, in realisable fair values or in future cash flows that may result from a change in the price of a financial instrument. The primary market risk of the Group is foreign exchange risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Foreign currency exchange rate risk

The Group's functional currency is Indian Rupees (INR). Majority of the Group transactions are undertaken in INR. The Group has foreign currency trade payables and receivables and is therefore exposed to some foreign exchange risk.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

Foreign currency risk exposure:

The Group's exposure to foreign currency risk at the end of the reporting period expressed in INR are as follows :

		As at 31-Mar-22		As at 31-Mar-21	
		Foreign Currency (absolute)	**INR in million**	**Foreign Currency (absolute)**	**INR in million**
Financial assets					
Deposits	USD	3,143	0.22	3,143	0.22
Deposits	AED	56,250	1.15	56,250	1.11
Cash and cash equivalent	AED	74,934	1.55	15,749	0.31
	TOTAL	**134,327**	**2.92**	**75,142**	**1.64**
Financial liabilities					
Trade Payables	USD	26,026	2.00	69,313	5.14
	TOTAL	**26,026**	**2.00**	**69,313**	**5.14**

Sensitivity analysis

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

Particulars	Year ended 31-Mar-22		Year ended 31-Mar-21	
	1% strengthening	**1% weakening**	**1% strengthening**	**1% weakening**
USD	(0.02)	0.02	(0.05)	0.05
AED	0.03	(0.03)	0.01	(0.01)

(Currency: ₹ in million)

13 Financial instruments and associated risks *(Continued)*

b) Credit risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss to the Group. Group's credit risk arises principally from cash and cash equivalents, other bank balances, trade & other receivables, loans receivable, investments and other financial assets measured at amoritsed cost.

Majority of Group's loan receivables are secured with security cover in the form of securities. Further, the management believes that the unsecured portion reflects low level of credit risk.

Cash and cash equivalents and other bank balances are held with reputable financial institutions and stock exchanges.

c) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The Group invests its surplus funds in bank fixed deposits and in liquid mutual funds, which carry no or low market risk.

Debt securities are commercial papers issued to financial institutions for a short period of time.

The following are the contractual maturities of financial liabilities:

	31-Mar-22			
	Less then one year	**Between one to five years**	**More than five years**	**Total**
Trade payables	22,633	232	-	22,865
Other payable	2	-	-	2
Borrowing (Other than Debt securities)	18,030			18,030
Lease Liabilities	173	369	10	552
Other financial liabilities	947	-	-	947
	41,785	**601**	**10**	**42,396**

	31-Mar-21			
	Less then one year	**Between one to five years**	**More than five years**	**Total**
Trade payables	19,562	189	-	19,751
Other payable	1	-	-	1
Borrowing (Other than Debt securities)	6,330	-	-	6,330
Lease Liabilities	194	398	23	615
Other financial liabilities	554	-	-	554
	26,641	**587**	**23**	**27,251**

(Currency: ₹ in million)

14 Related parties

a. List of Relationships

Ultimate Holding company
BNP Paribas SA

Investing entity in which Sharekhan Limited is an Associate
Human Value Developers Private Limited. (Subsidiary of BNP Pariba SA)

Other related parties with whom transactions have taken place:

Fellow subsidiary
1 BNP Paribas Wealth Management India Pvt.Ltd.
2 BNP Paribas Asset management India Pvt Ltd
3 BNP Paribas Net limited
4 BNP Paribas Procurement Tech Pvt Ltd
5 Arval India Private Limited

Trust set up by Ultimate Holding Company
BNP Paribas India Foundation

Key management personnel ('KMP')
1 Shankar Vailaya (upto July 20, 2021) (Whole Time Director)
2 Jaideep Arora (Whole Time Director & CEO)
3 Stefan Groening (Whole Time Director & COO)
4 Jean Christophe Gougeon (Whole Time Director)
5 Parminder Varma (w.e.f. March 25, 2022) (Whole Time Director)

Relatives of KMP
1 Sridhar Vailaya (upto July 20, 2021) (Brother of Shankar Vailaya)

(Currency: ₹ in million)

14 Related parties (*Continued*)

b. Transactions with related parties

	With Holding Company		Investing entity in which Sharekhan Limited is an Associate		With Fellow Subsidiary		Trust		With KMP		With relatives of KMP		Total	
	31 March 2022	31 March 2021	**31 March 2022**	31 March 2021	**31 March 2022**	31 March 2021	**31 March 2022**	31 March 2021	**31 March 2022**	31 March 2021	**31 March 2022**	31 March 2021	**31 March 2022**	31 March 2021
Brokerage earned	-	-	-	-	-	-	-	-	*	*	-	*	*	*
Depository income	*	-	-	-	-	-	-	-	*	*	*	*	*	*
Income from mutual fund services - BNP Paribas Asset Management India Private Limited	-	-	-	-	**63**	44	-	-	-	-	-	-	**63**	**44**
Dividend paid	**321**	4,360	120	1,632	-	-	-	-	-	-	-	-	**441**	**5,992**
Training Expenses	*	*	-	-	-	-	-	-	-	-	-	-	*	*
Software expense	**22**	*	-	-	**11**	6	-	-	-	-	-	-	**33**	**6**
- BNP Paribas SA	22	-	-	-	-	-	-	-	-	-	-	-		
- BNP Paribas Net limited	-	-	-	-	2	6	-	-	-	-	-	-		
- BNP Paribas Procurement Tech Pvt Ltd	-	-	-	-	9	-	-	-	-	-	-	-		
Membership Expense paid to BNP Paribas Procurement Tech Pvt Ltd.	-	-	-	-	**1**	-	-	-	-	-	-	-	**1**	-
Travel expense	-	**27**	-	-	- *		-	-	-	-	-	-	-	**27**
- BNP Paribas SA	-	27	-	-	-	-	-	-	-	-	-	-		
- Arval India Private Limited	-	-	-	-	- *		-	-	-	-	-	-		
Miscelleneous Expense	**17**	1	-	-	-	-	-	-	-	-	-	-	**17**	**1**
- BNP Paribas SA	17	1	-	-	-	-	-	-	-	-	-	-		
- BNP Paribas Net limited	-	-	-	-	-	-	-	-	-	-	-	-		
- BNP Paribas Procurement Tech Pvt Ltd	-	-	-	-	-	-	-	-	-	-	-	-		
Corporate Social Responsibilty	-	-	-	-	-	-	33	24	-	-	-	-	**33**	**24**
Other allowance expat	**10**	**12**	-	-	-	-	-	-	-	-	-	-	**10**	**12**
Remuneration paid to KMPs	-	-	-	-	-	-	-	-	**175**	184	-	-	**175**	**184**
Balances														
Customer /vendor account payable	**28**	4	-	-	**1**	12	-	-	-	-	-	-	**29**	**17**
- BNP Paribas SA	28	4	-	-	-	-	-	-	-	-	-	-		
- BNP Paribas Net limited	-	-	-	-	*	-	-	-	-	-	-	-		
- BNP Paribas Procurement Tech Pvt Ltd	-	-	-	-	1	-	-	-	-	-	-	-		
- BNP Paribas Wealth Management India Pvt. Ltd.	-	-	-	-	-	12	-	-	-	-	-	-		
- BNP Paribas Asset Management India Pvt Ltd	-	-	-	-	-	*	-	-	-	-	-	-		
Customer /vendor account receivable	-	-	-	-	**5**	-	-	-	-	-	-	-	**5**	-
- BNP Paribas Asset Management India Pvt Ltd	-	-	-	-	5	-	-	-	-	-	-	-		
- BNP Paribas Procurement Tech Pvt Ltd	-	-	-	-	-	-	-	-	-	-	-	-		
Bank Balance	**3,825.03**	4,524.39	-	-	-	-	-	-	-	-	-	-	**3,825**	**4,524**

* represents amount less than ₹ 1 million

During the year, there was no material transaction with any related parties as per the Related Party Transactions Policy of the Company and all the related party transactions entered into by the Company were in the ordinary course of business and on an arm's length basis.

(Currency: ₹ in million)

15 Segment reporting

Primary segment

Based on the 'management approach' as defined in Ind AS 108, the Chief Operating Decision Maker(CODM) considers business segment as its primary segment considering the risks and rewards of the services offered, nature of services, management structure and system of financial reporting. In the opinion of the CODM, following are the business segments of the Group:

Segment	Activities covered
Agency business	Agency business comprises of brokerage activities in the secondary market on behalf of clients, services rendered as a depository participant, services for primary market subscriptions on behalf of clients, distribution of third party product and includes income incidental and consequential to such activities.
Lending activities	Lending activities comprises of providing loans to clients against appropriate collateral.

Income for each segment has been specifically identified. Expenditure, assets and liabilities are either specifically identifiable with individual segments or have been allocated to segments on a systematic basis. Based on such allocations, segmental balance sheet as at 31 March 2022 and segmental statement of profit and loss for the year ended 31 March 2022 have been prepared.

Secondary segment

The Group operates mainly in the Indian market. The Group has no geographical segment and on that basis, no secondary segment information is furnished.

Particulars	**Agency business**		**Lending activities**		**Un-allocated**		**Eliminations**		**Total**	
	2022	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**
Segment revenue										
Income	11,544	9,406	1,336	1,011	416	489	(50)	(115)	13,246	10,791
Total	**11,544**	**9,406**	**1,336**	**1,011**	**416**	**489**	**(50)**	**(115)**	**13,246**	**10,791**
Segment result	2,663	2,061	765	592	112	220			3,540	2,873
Tax expense										
Current / short provision of tax					1,002	843			1,002	843
Deferred tax expense / (benefit)					(85)	(106)			(85)	(106)
Profit after tax									2,623	2,136
Other Information										
Carrying amount of segment assets	44,469	31,836	12,266	7,252	2,829	3,166	(73)	(95)	59,492	42,159
Carrying amount of segment liabilities	36,563	25,644	6,793	2,398	202	386	(73)	(95)	43,485	28,334
Capital expenditure	125	279	-	-	7	9			132	289
Depreciation, amortisation and impairment	279	377	3	6	9	10			291	394

(Currency: ₹ in million)

16 Additional information as required under Schedule III to the Companies Act, 2013

Name of the entity	Country of Incorporation	Net Assets, i.e. total assets minus total liabilities				Share in profit and loss				Share in Other comprehensive income				Share in Total comprehensive income			
		As at 31 March 2022		As at 31 March 2021		For the year ended 31 March 2022		For the year ended 31 March 2021		For the year ended 31 March 2022		For the year ended 31 March 2021		For the year ended 31 March 2022		For the year ended 31 March 2021	
		As % of consolidated net assets	Amount	As % of consolidated net assets	Amount	As % of consolidated profit and loss	Amount	As % of consolidated profit and loss	Amount	As % of Other comprehensive income	Amount	As % of Other comprehensive income	Amount	As % of Total comprehensive income	Amount	As % of Total comprehensive income	Amount
Parent company																	
Sharekhan Limited	INDIA	93.77	15,010	95.61	13,218	85.21	2,254	172.62	3,701	96.65	(21)	100.00	(8)	85.12	2,233	172.88	3,693
Indian Subsidiary																	
Sharekhan BNP Paribas Financial Services Limited	INDIA	34.50	5,522	35.33	4,884	24.13	638	21.31	457	-	-	-	-	24.33	638	21.39	457
Sharekhan Commodities Private Limited	INDIA	0.17	27	0.19	27	0.01	0	1.53	33	-	-	-	-	0.01	0	1.53	33
Sharekhan.com India Private Limited	INDIA	(0.03)	(4)	0.06	8	(0.48)	(13)	0.13	3	0.31	(0)	-	-	(0.48)	(13)	0.15	3
Sharekhan Consultants Private Limited	INDIA	0.10	16	0.52	72	0.03	1	0.15	3	-	-	-	-	0.03	1	0.15	3
Wealthtiger Investment Advisors Private Limited	INDIA	0.03	5	0.12	17	0.00	0	0.15	3	0.15	(0)	-	-	0.00	0	0.15	3
Espresso Financial Services Private Limited	INDIA	1.68	268	3.16	437	(6.35)	(168)	(8.01)	(172)	2.38	(1)	-	-	(6.43)	(169)	(8.03)	(172)
Elimination		(30.22)	(4,837)	(34.99)	(4,838)	(2.55)	(67)	(87.88)	(1,884)	0.51	(0)	-	-	(2.54)	(67)	(88.21)	(1,884)
TOTAL		**100.00**	**16,007**	**100.00**	**13,825**	**100.00**	**2,645**	**100.00**	**2,144**	**100.00**	**(22)**	**100.00**	**(8)**	**100**	**2,623**	**100**	**2,136**

(Currency: ₹ in million)

17 Corporate Social Responsibility

As per the provisions of the Section 135 of the Act,

a Gross amount required to be spent by the Group during the year ₹ 33 (March 21 ₹ 24)

b

Amount spent during the year ending on 31 March 22	Amount Spent	Provision during the year	Total
i)Construction/acquisition of any asset	-	-	-
ii)On the purpose other than (i) above	33	-	33

Amount spent during the year ending on 31 March 21	Amount Spent	Provision during the year	Total
i)Construction/acquisition of any asset	-	-	-
ii)On the purpose other than (i) above	24	-	24

c There are no previous year's shortfall amounts.

d Full CSR amount has been contribution to BNP Paribas India Foundation which is classified as related party under Ind AS 24 - "Related Party Disclosures".

18 Due to micro and small suppliers

Sundry creditors do not include any amount payable to Small Scale Industrial Undertakings and Micro, Small and Medium Enterprises. Under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED) which came into force from 2 October 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. On the basis of the information and records available with the management, the following disclosures are made for the amounts due to the Micro, Small and Medium enterprises, who have registered with the competent authorities.

	31.03.2022	31.03.2021
Principal amount remaining unpaid to any supplier as at the year end	1	7
Interest due thereon	Nil	Nil
Amount of interest paid by the Group in terms of section 16 of the MSMED Act, along with the	Nil	Nil
Amount of interest due and payable for the period of delay in making payment (which have been	Nil	Nil
Amount of interest accrued and remaining unpaid at the end of the accounting year	Nil	Nil
Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises, for the purpose of disallowance of a deductible expenditure under Section 23 of the MSMED Act	Nil	Nil

19 The Group has a process whereby periodically all long term contracts, if any, are assessed for material foreseeable losses. At the year end, the Group has reviewed and ensured that adequate provision as required under any law / accounting standards for material foreseeable losses on such long term contracts, if any (including derivative contracts) has been made in the books of account.

20 Capital Management

Equity share capital and other equity are considered for the purpose of Group's capital management. The Group manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to the Shareholders. The capital structure of the Group is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investor and market confidence. The funding requirements are met through equity and operating cash flows generated. The management monitors the return on capital and the Board of Directors monitors the level of dividends to shareholders of the individual Companies in the Group. The Group may take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

21 The remuneration paid to the whole time directors of the Holding Company for the year ended March 31, 2022 is within the limits prescribed under section 198 read with Schedule V of the Act.

22 During the FY 2015-16 the Holding Company had made a post facto application to the Foreign Investment Promotion Board (FIPB) for their approval for -

1. Carrying on the commodities brokerage business through it's subsidiary and the depository services business by itself while there was investment made by foreign investors from time to time in Sharekhan.

2. Investment in Sharekhan by IDFC since IDFC was regarded as a foreign owned company from March 2011 till March 2014.

3. Investment in Human Value Developers Private Limited by IDFC since IDFC was regarded as a foreign owned company from March 2011 till March 2014, and

4. Downstream investment made by Human Value Developers Private Limited in 2007 in M/s Sharekhan Limited.

The Holding Company's application was approved in the meeting of the FIPB on 30th October 2015, and the FIPB had directed the Holding Company to approach Reserve Bank of India (RBI) for compounding the above irregularities. The Holding Company had filed an application with RBI on 10th December 2015 and provided relevant explanation. RBI has returned the application of the Holding Company stating that the violations are being finalized with the FIPB. The Holding Company is awaiting further directions from the RBI. Under the circumstances, the potential compounding penalty, if any, is not ascertainable, the management is of the opinion that the potential liability in this regard shall not be material.

(Currency: ₹ in million)

23 Financial Information:

Pursuant to Regulation 52(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, SEBI's Operational circular SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021 to the extent applicable to Commercial Papers, information as required for the year ended March 31, 2022 in respect of Commericial Papers of the Group is as mentioned below:

A. Details of Credit

Rating Agency	ICRA Limited	CARE Ratings Limited
Rating	ICRA A1+	CARE A1+

B. Key Financial Information

Particulars	**Year ended 31 March 2022**
Debt Equity Ratio	1.13
Debt Service Coverage Ratio	0.24
Interest Service Coverage Ratio	5.40
Outstanding redeemable preference shares	Nil
Capital redemption reserve (INR in million)	30
Debenture Redemption Reserve	Nil
Net Worth (INR in million)	16,007
Net Profit after tax (INR in million)	2,645
Earnings per share (Basic / Diluted) (INR)	45.02
Current ratio	2.33
Long term debt to working capital ratio	Nil
Bad debts to Account receivable ratio	Nil
Current liability ratio	0.41
Total debts to total assets	0.30
Debtors turnover ratio	3.63
Inventory turnover ratio	Not Applicable
Operating margin (%)	27%
Net profit margin (%)	20%

Formula for computation of Ratios are as follows:

1. Debt Equity Ratio = Debt (Borrowings + Accrued interest) / Equity (Equity share capital + Other Equity)
2. Debt Service Coverage Ratio = Profit before interest and tax (excludes interest costs on leases as per Ind AS 116 on Leases / (Interest expenses (excludes interest costs on leases as per Ind AS 116 on Leases) + Outstanding borrowing)
3. Interest Service Coverage Ratio = Profit before interest and tax (excludes interest costs on leases as per Ind AS 116 on Leases / Interest expenses (excludes interest costs on leases as per Ind AS 116 on Leases)
4. Net Worth = Equity Share capital + Other Equity
5. Company does not have any Long Term Debt and hence the ratio is Nil
6. Debtors Turnover Ratio = Fee and Commission Income / Average Trade Receivables
7. Operating Margin = Profit before tax / Total Revenue from operations
8. Net Profit Margin = Profit after tax / Total Revenue from operations

24 Additional regulatory information required under (WB) (xvi) of Division III of Schedule III amendment, disclosure of ratios, is not applicable to the Holding Company as it is in broking business and not an NBFC registered under Section 45-IA of Reserve Bank of India Act, 1934.

(Currency: ₹ in million)

25 Dividend

The Board of directors of the Holding Company at its meeting held on May 28, 2021 declared an interim dividend of ₹ 7.50/- per equity share (fully paid up) which was paid during the period. The total payout on account of the equity dividend will be ₹ 397 million (31st March, 2021 - ₹ 5,434 (excluding Tax deducted at Source of ₹ 44 (31st March, 2021 - ₹ 558)). No final dividend has been declared or paid for the year ended 31 March 2022.

26 Other statutory information

(i) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property;

(ii) The Group does not have any transactions with companies struck off;

(iii) The Group does not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period;

(iv) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year;

(v) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries); or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries;

(vi) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries); or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(vii) The Group has not entered into any such transaction which is not recorded in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

(viii) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act, 2013.

(ix) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act, 2013 (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act.

27 Subsequent events

There are no significant subsequent events that would require adjustments or disclosures in the consolidated financial statements as on the balance sheet date.

28 Information related to disclosures prescribed under Schedule III of Act 2013, which are not applicable to the Group have not been disclosed above.

29 The consolidated financial statements are authorised for issue by the Board of Directors of the Holding Company on 24th May, 2022.

30 Figures for the previous year have been regrouped / reclassified wherever necessary, to conform with the current year's classification in order to comply with the requirements of the amended Schedule III of the Companies Act, 2013.

For Kalyaniwalla & Mistry LLP
Chartered Accountants
Firm Registration No. : 104607W / W100166

Sd/-
Roshni R. Marfatia
Partner
Membership no. : 106548

Mumbai
Date : 24 May 2022

For and on behalf of the Board of directors of
Sharekhan Limited
CIN: U99999MH1995PLC087498

Sd/-
Jaideep Arora
CEO & Whole Time Director
DIN: 00056252

Sd/-
Stefan Groening
Whole Time Director
DIN: 00056252

Sd/-
Sumeet Chugh
Chief Financial Officer

Sd/-
Vijay Sakali
Company Secretary
FCS No: 11793

Mumbai
Date : 24 May 2022

NOTICE

Notice is hereby given that the **TWENTY SEVENTHTH ANNUAL GENERAL MEETING** of the shareholders of **SHAREKHAN LIMITED** will be held on **Wednesday, September 28, 2022** at **2.00 p.m.** through Video Conferencing or Other Audio-Visual Means (OAVM) or (*if feasible at any venue as decided by the management*) to transact the following business:

ORDINARY BUSINESS:

1. Adoption of Accounts:

a. To receive, consider and adopt the Standalone audited financial statements of the Company for the financial year ended 31st March, 2022 together with the report of the Board of Directors and the Auditors thereon;

b. To receive, consider and adopt the audited consolidated financial statements of the Company for the financial year ended 31st March 2022 together with the Reports of Auditors thereon.

2. Retire by Rotation:

a. To appoint a director in place of Ms. Franciska Decuypere (DIN: - 06869435), who retires by rotation and being eligible offers herself for re-appointment.

b. To appoint a director in place of Mr. Hugues Maisonnier (DIN: - 07675507), who retires by rotation and, being eligible, offers himself for re-appointment.

c. To appoint a director in place of Mr. Jean Philippe Huguet (DIN: - 07539502), who retires by rotation and, being eligible, offers himself for re-appointment.

3. To appoint M/s. Kalyaniwalla & Mistry LLP, Chartered Accountants, (Firm Registration No. 104607W/W100166) as Statutory Auditor of the Company to hold office from the conclusion of this meeting until the conclusion of 32nd Annual General Meeting and to authorize the Board to fix their remuneration.

To consider and if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT based on the recommendation of Board of Directors and pursuant to the provisions of Section 139, 142 and other applicable provisions of the Companies Act, 2013, if any, read with the Companies (Audit & Auditors) Rules, 2014, including any statutory enactment thereof, M/s. Kalyaniwalla & Mistry LLP, Chartered Accountants, (Firm Registration No. 104607W/W100166) be and are hereby appointed as the Statutory Auditors of the Company, for the 2nd term of 5 years, to hold office from the conclusion of ensuing 27th Annual General Meeting till the conclusion of 32nd Annual General Meeting of the Company, and at a remuneration to be decided by the Board of Directors in consultation with the Auditors plus applicable service tax and reimbursement of travelling and out of pocket expenses incurred by them for the purpose of audit."

"RESOLVED FURTHER THAT a copy of the above resolution duly certified as true by any one Director / Chief Executive Officer/ Chief Operating Officer / Chief Financial Officer, and/or Company Secretary of the Company, be furnished to such parties as may be required from time to time to give effect to the above resolution."

SPECIAL BUSINESS:

4. To consider and if thought fit, to pass, with or without modification(s), the following resolution as **Special Resolution**:

To consider the re-appointment of and payment of remuneration to Mr. Stefan Groening (DIN: 07657587) as a Whole-time Director of the Company.

"RESOLVED THAT pursuant to recommendation made by Nomination and Remuneration Committee and in accordance with the Nomination and Remuneration Policy of the Company and pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the Companies (*Appointment and Remuneration of Managerial Personnel*) Rules, 2014 (*including any statutory modification(s) thereof, for the time being in force*) and in accordance with the Articles of Association of the Company as amended from time to time and subject to the approval of the Shareholders of the Company in the ensuing General Meeting, Mr. Stefan Groening (DIN: 07657587)be and is hereby re-appointed as the Whole-time Director of the Company for a further period of 5 years with effect from 1st September, 2022 with further liberty to the Board of Directors of the Company to alter and vary the said terms and conditions, without further reference to the shareholders of the Company, in such manner as may be agreed to between the Board of Directors and Mr. Stefan Groening subject to the provisions of Schedule V of the Companies Act, 2013 and as per the terms and conditions given below and approve the annual remuneration to be paid to Mr. Stefan Groening (DIN: 07657587), as the Whole-time Director of the Company *(including the annual performance incentive and actual remuneration)*, in such manner as may be agreed between the Board of Directors and Mr. Stefan Groening and as per the terms and conditions given below:

(A) **Tenure:** Five years with effect from the date of re-appointment i.e. 1st September, 2022.

(B) **Salary Limit:** Up to Rs. 21,51,010 per month, (*as mentioned in **Annexure A**, attached herewith*) during the period from September 01, 2022 to December 31, 2022. The salary paid to the Whole-time Director shall be subject to an annual increment, as determined by the Nomination and Remuneration Committee / Board of Directors, as the case may be, of up to 30% for each calendar year commencing from January 1, 2023.

(C) **Perquisites:**

Provided according to the terms agreed upon between Mr. Stefan Groening and the Group without limitation would include the following (i) Reimbursement of Telephone expenses for two telephones and one tele-fax at Mr. Stefan Groening's residence as per the rules of the Company. (ii) Payment of insurance under Group Mediclaim Insurance Policy, Group Insurance Policy and other appropriate insurance coverage for the benefit of Mr. Stefan Groening, as per Company policy. (iii) Other perquisites including but not limited to car expenses / provision of case leased by the Company, house rent, club membership, such other benefits agreed upon in the employment contract with the Group, and as may be approved by the Nomination and Remuneration committee / Board of Directors, as the case may be, from time to time.

(D) **Performance Bonus:**
Such remuneration by way of performance based rewards/incentives, in addition to the above salary and perquisites, as may be determined by the Board of Directors of the Company and/or Nomination and Remuneration Committee of the Company, as the case may be, subject to overall ceilings stipulated in Section 197 of the Companies Act, 2013 and overall limit as approved in the aforesaid resolution.

(E) **Retirement Benefits:**
Contribution to Provident Fund, Gratuity and Super-annuation as per the rules of the Company.

(F) **Minimum Remuneration:**
In the event of absence or inadequacy of profits in any financial year during his tenure or if the Company has no profits or its profits are inadequate and the remuneration payable as determined by the Nomination and Remuneration Committee / Board of Directors, as the case may be, is higher than the maximum remuneration payable as per the limits set out in Section II of Part II of Schedule V of the Companies Act, 2013, then the remuneration payable to Mr. Stefan Groening by way of salary, performance bonus and perquisites shall be paid as per the terms and condition mentioned herein this resolution.

"**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, anyone of the Director(s) (except Mr. Stefan Groening), Chief Executive Officer, Chief Financial Officer, and/or Company Secretary of the Company be and is hereby severally authorized on behalf of the Company, to do all acts, deeds, matters and things as deem necessary, proper or desirable and to sign and execute all necessary documents, applications and returns for the purpose of giving effect to the aforesaid resolution."

"**RESOLVED FURTHER THAT** a certified copy of the above resolution, be issued, under the signature of any of the Director/Chief Executive Officer/ Chief Operating Officer/ Chief Financial Officer/Company Secretary of the Company to such other persons/parties and/or statutory authorities as may be required from time to time."

Annexure A

Components		
	Per Annum	**Per Month**
Base Salary per annum (in INR)	1,89,85,116	15,82,093
Assignment Salary per annum (Base salary) (in INR)	**2,58,12,115**	**21,51,010**
Accommodation per annum	48,00,000	4,00,000
Company Car Lease (as per local BNP policy)		
Car Lease	5,42,515	45,210
Fuel Reimbursement per annum	2,00,000	16,667
Club Membership per annum	6,70,000	55,833
Employer PF Contribution	0	0
Total per annum (in INR)	**2,58,12,115**	**21,51,010**

Other Benefits:

1) Variable Pay: As per BNP Paribas Group Policy and approved by Group HR;
2) School Fee: Host Country will pay Tuition fees to the children's of the employee till preschool, primary or secondary school in the Host location
3) Home Leave: Each calendar year return ticket to Home country
4) Annual Leaves: 30 days for each calendar year
5) **Any other benefit as mentioned in the Core principles of international assignment policy of BNP Paribas group. The benefits are as follows:**
   - 5.1 Exchange Rate Fluctuation
   - 5.2 Home Country Employer MSH Insurance & Social & Pension Contribution.
   - 5.3 Tax on Perquisites
   - 5.4 Taxation consultant fees
   - 5.5 GSIS 2018 - INR 22,07,400 paid along with Jun 21 salary.

By Order of the Board of Directors of
Sharekhan Limited

Sd/-
Stefan Groening
Whole Time Director & COO
DIN: 07657587

Date: May 24, 2022
Place: Mumbai

Registered Office:
The Ruby, 18th Floor, 29, Senapati Bapat Marg,
Dadar (West), Mumbai – 400028, MH
CIN: - U99999MH1995PLC087498
Tel: 022-67502000 Fax: 022-24327343;
Website: www.sharekhan.com, E-mail: - companysecretarial@sharekhan.com

NOTES:

1. In view of the ongoing COVID-19 pandemic and social distancing norms to be followed and its continuing catastrophe, the Government of India, Ministry of Corporate Affairs ('MCA') permitted conducting Annual General Meeting ("AGM") through VC/OAVM and dispended the personal presence of the Shareholders at the meeting. Accordingly, the MCA vide its General Circular Nos. 20/2020, dated 05.05.2020, General Circular No. 02/2021, dated 13.01.2021, General Circular No. 19/2021, dated 08.12.2021 and General Circular No. 21/2021 dated 14.12.2021 read with General Circular No. 2/2022 dated 05.05.2022 (including any statutory modification(s) or re-enactment or any amendments thereof, for the time being in force) (*collectively referred to as 'MCA Circulars'*) has prescribed the procedures and manner of conducting the AGM through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM") (*facility without the physical presence of the Shareholders at a common venue*). In compliance with the provisions of the Companies Act, 2013 read with MCA Circulars, the AGM of the Shareholders will be held through VC/OAVM. Hence, Shareholders can attend and participate in the AGM through VC/OAVM only.
2. Pursuant to the Circular No. 14/2020 dated 08th April, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the Shareholders is not available for this AGM being held through VC / OAVM and therefore, the Proxy Form and Attendance Slip including Route Map are not annexed to this Notice.
3. Corporate members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company a certified scanned copy (PDF/JPG Format) of the Board Resolution/Power of Attorney authorizing their representatives to attend and vote on their behalf at the meeting.
4. The attendance of the Shareholders attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. Members attending the Annual General Meeting (AGM) of the Company are requested to confirm their attendance along with the location during the meeting through video conferencing.
6. Explanatory Statement setting out the material facts pursuant to Section 102 of the Companies Act, 2013, concerning the special business in the Notice of this Extra-Ordinary General Meeting is annexed hereto and forms part of this report.
7. Statement giving details of the Directors seeking appointment/ re-appointment is also annexed with this Notice pursuant to the requirement of Secretarial Standards on General Meeting ("SS-2").
8. The notice of AGM along with the Explanatory Statement is being sent only through electronic mode to those Members whose email addresses are registered with the Company. Members may note that the AGM along with the Explanatory Statement will also be available on the Company's website www.sharekhan.com
9. Queries proposed to be raised at the Annual General Meeting may be sent to the Company on the Company e-mail address: companysecretarial@sharekhan.com at least seven days prior to the date of Annual General Meeting to enable the management to compile the relevant information to reply the same in the meeting.
10. Brief profile of Director(s) proposed to be appointed/re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships/chairmanships of Board Committees, shareholding and relationships between directors inter-se, etc. as stipulated under Secretarial Standards, is annexed to the Explanatory Statement.
11. Pursuant to General Circular No. 20/2020 dated May 5, 2020, the members can attend the meeting through video conferencing and the link for video conferencing of the said meeting will be circulated to the members separately.

Instructions for members for attending the AGM through VC/OAVM are as under:

a. Member will be provided with a facility to attend the AGM through VC/OAVM through personal system. Members may access the same at Webex portal. The link for VC/OAVM will be shared by the company via email.
b. Members are encouraged to join the Meeting through Laptops for better experience.

Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

c. 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.
d. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at companysecretarial@sharekhan.com. The same will be replied by the Company suitably.

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

Item 4:

Mr. Stefan Groening (DIN: 07657587) was appointed as a Whole Time Director of the Company vide shareholders' resolution dated August 16, 2017 for a period of 5 years effecting from 1st September 2017.

Mr. Stefan Groening (DIN: 07657587) has varied experience in the area of Capital Market and his Guidance has been valuable in Company.

The present terms of appointment of Five years of Mr. Stefan Groening (DIN: 07657587) is expiring on August 31, 2022 and pursuant to the recommendation received from Nomination and Remuneration Committee in accordance with Nomination and Remuneration Policy and the Board of Directors of the Company, it would be appropriate to re-appoint Mr. Stefan Groening as Whole Time Director (WTD) of the Company subject to the approval of members/shareholders of the Company in Annual General Meeting as a Special Resolution for a further period of Five (5) years with effect from September 1, 2022 at the remuneration, in accordance with norms laid down in section 196, 197 and other applicable provisions of the Companies Act, 2013 and Schedule V and other applicable provisions of Companies act, 2013 and rules made thereunder.

Accordingly, the Board recommends passing the resolution at Item No. 4 of the Notice as a Special Resolution by the members.

Except Mr. Stefan Groening (DIN: 07657587), none of Promoters, Directors, of the Company and their relatives are concerned or interested or otherwise in the resolutions set out in the Item No.3.

The brief particulars/ resume and other information of Mr. Stefan Groening as per Secretarial Standard - 2 are provided herein below:

Name	**Mr. Stefan Groening**
Date of first appointment on the Board	23/11/2016
Date of Birth (Age)	December 05, 1965(56 years)
Qualification	MBA
Area of Expertise	Business Intelligence, Investment Strategy and Product Management
Experience	28 years
Past Remuneration	Rs. 21,51,010 per month
Number of Meetings attended during the year	1
Shareholding in the Company	Nil
Details of Remuneration sought to be paid	Upto the amount (for per month) approved by the Nomination and Remuneration Committee of the Company
Remuneration last drawn	Rs. 21,51,010 per month
Relationship with other Director, Manager and other Key Managerial Personnel of the Company	NA
Name of the other Companies in which also holds Directorship and Other directorships, membership/Chairmanship of Committees of other Boards	**Espresso Financial Services Private Limited** *(Formerly known as Sharekhan Comtrade Private Limited)*

By Order of the Board of Directors

Sd/-
Stefan Groening
Whole Time Director & COO
DIN: 07657587

Date: May 24, 2022
Place: Mumbai

Registered Office:
The Ruby, 18th Floor, 29, Senapati Bapat Marg,
Dadar (West), Mumbai – 400028, MH
CIN: - U99999MH1995PLC087498
Tel: 022-67502000 Fax: 022-24327343;
Website: www.sharekhan.com, E-mail: - companysecretarial@sharekhan.com