



CONTENTS

Board of Directors	2
Directors' Report	3
Auditors' Report	29
Balance Sheet	42-43
Statement of Profit and Loss Account	44-45
Statement of Changes in Equity	46
Cash Flow Statement	47
Notes to Accounts	64

BOARD OF DIRECTORS

Rajiv Anand	Chairman
Gopkumar Bhaskaran	Managing Director & CEO
Ravi Narayanan	Director
Babu Rao Busi	Independent Director
Bhumika Batra	Independent Director
Jagdish Deepak Saksena	Independent Director
Hemantkumar Patel	Chief Financial Officer
Komal Manoj Nagdev	Company Secretary
M/s. S. R. Batliboi & Co. LLP Chartered Accountants	Statutory Auditors
M/s. BY & Associates Chartered Accountants	Internal Auditors
M/s. Pramod S. Shah & Associates Practising Company Secretaries	Secretarial Auditors
M/s. KFin Technologies Limited Selenium Tower B, Plot 31 & 32, Gachibowli Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad - 500 032, Telangana.	Registrar and Share Transfer Agent

REGISTERED OFFICE

Axis House, 8th Floor, Wadia International Centre,
 Pandurang Budhkar Marg, Worli, Mumbai – 400 025
 CIN : U74992MH2006PLC163204
 Tel. : 022 68517800
 Email : contact@axissecurities.in
 Website : www.axisdirect.in / www.axissecurities.in

CORPORATE OFFICE

Unit No. 002, Ground Floor, Piramal Agastya, Kamani Junction,
 Near Phoenix Market City Mall, Kurla West, Mumbai, Pin Code – 400 070
 Tel: 02268517888

DIRECTORS' REPORT

DEAR MEMBERS

Your Directors have pleasure in presenting the 17th Annual Report of Axis Securities Limited (the Company) along with the Audited Financial Statements for the financial year ended March 31, 2023.

FINANCIAL PERFORMANCE:-

During the year, the Company achieved a total income of Rs. 725.97 crores.

The highlights of the financial Results of your Company for the year ended March 31, 2023 are given below:

(Rs. in Crores)

Particulars	2022-23	2021-22
Operating Income (A)	473.36	507.55
Interest Income on Fixed Deposits and Miscellaneous Income (B)	252.61	156.08
Total Income (A)+(B)	725.97	663.63
Operating Expenses	423.85	332.21
Profit/(Loss) before Depreciation & provisions for tax	302.12	331.42
Depreciation	29.93	23.14
Provision for Tax	71.28	79.15
Profit for the year from continuing operation	200.91	229.13
Exceptional items	–	–
Profit for the year	200.91	229.13
Other Comprehensive Income	(24.45)	136.88
Total Comprehensive Income for the year	176.46	366.01

BUSINESS OVERVIEW & REVIEW OF OPERATIONS:-

In Financial Year 2022-23 Retail Broking has achieved overall revenue of Rs. 725.97 crore which is increase of 9.4% as compared to Rs. 663.63 crore in Financial Year 2021-22. Company has added 6.92 lakhs accounts in FY23 with growth of 28% as compared to 5.42 lakhs in FY22.

DIVIDEND:

Your Directors do not recommend any dividend for the year ended March 31, 2023.

GENERAL RESERVE:-

There is no amount to be carried forward to reserve in the current Financial Year 2022-23.

MATERIAL CHANGE AND COMMITMENT:-

In terms of the information required under sub-section (3)(l) of Section 134 of the Act, it is to be noted that no material changes and commitments, affecting the financial position of the Company has occurred between the end of the Financial Year of the Company to which the Financial Statements relate and to the date of the Directors Report.

ANNUAL RETURN:-

The Annual Return of the Company for the said financial year as required under Section 92 of the Companies (Amendment) Act, 2017 will be available on the website of the Company at <https://simplehai.axisdirect.in/aboutus/annualreturn>.

The said annual return shall be updated as soon as possible but not later than sixty days from the date of the Annual General Meeting.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:-

In terms of the information required under Section – 134 of the Act and Clause – 8 of the Companies (Accounts) Rules, 2014 it is to be noted that there is no significant and material order passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.

STATEMENT INDICATING DEVELOPMENT AND IMPLEMENTATION OF A RISK MANAGEMENT POLICY INCLUDING IDENTIFICATION THEREIN OF ELEMENTS OF RISK:-

Risk Management is a key function in a Stock Broking Company. Real-time monitoring of overall exposure of the Company is required from the point of view of Risk Control. In volatile markets, robust Risk Management policies are must.

The Company has adopted a comprehensive Risk Management Policy identifying various elements of risks, risk parameters and risk containment measures. The Company has automated risk management systems in place. The risk system monitors various trades and positions of the clients on real-time basis with the help of real time data feeds from Exchanges. The system also generates automated alerts in case of specified events based on the set parameters. A dedicated risk team monitoring the risk systems acts promptly on such alerts. The above risk processes have been put in place for Equities, Derivatives, Commodities and Currencies etc.

Client defaults in paying up the losses arising out of client positions poses significant risk, which in the opinion of the Board may threaten the existence of the Company. Other identified risks are system malfunction, black swan event, Internal as well as external frauds, adverse regulatory action against the Company etc.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:-

The Company has an Internal Control System commensurate with the size, scale and complexity of its operations. 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 protected adequately.

The Internal Audit and Inspection Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board. A yearly presentation on Internal Financial Control Systems is also presented to Audit Committee of the Board.

VIGIL MECHANISM / WHISTLE BLOWER POLICY:-

The Company has adopted the code of conduct for employee, customers, vendors and also for its directors for the highest degree of transparency, integrity, accountability and corporate social responsibility. Any actual or potential violation of the Code would be a matter of serious concern for the Company.

The Company has also in place a Whistleblower Policy ('the Policy') which aims to set up a mechanism that enables employees to report about actual or potential illegal and/or unacceptable practices. The policy is designed to enable employees, to raise concerns to Whistleblower Committee, without revealing his/her identity, if he/she chooses to do so and to disclose information which the individual believes, shows malpractice or wrongdoing which could affect the business or reputation of the Company.

The Policy is to provide framework for an effective vigil mechanism and to provide protection to employees, customers, vendors or directors reporting genuine concerns.

Employees of the Company are encouraged to use guidance provided in the Policy for reporting all allegations of suspected improper activities to the Whistle Blower Committee by sending the members an email on whistleblower@axissecurities.in

BOARD OF DIRECTORS, MEETINGS, EVALUATION ETC.:-

BOARD OF DIRECTORS:-

During the year under review, following are the list of Directors appointed or resigned from the Board of the Company:

Sr. No.	Name of the Director	Status	Date of appointment/ Resignation	Designation
1	Mr. Anandkumar Shaha	Resigned	13.10.2022	Whole Time Director

*Mr. Gopkumar Bhaskaran resigned as the Managing Director & CEO with effect from April 14, 2023 (end of business hours).

**Mr. Pranav Haridasan appointed as the Managing Director & CEO with effect from April 15, 2023.

BOARD MEETINGS:-

During the year under review, the Board of Directors (hereinafter called as the "BOARD") met for eight times viz. 11.04.2022, 13.07.2022, 21.07.2022, 13.10.2022, 13.01.2023, 17.02.2023, 09.03.2023 and 28.03.2023:

The details of the attendance of the Board are as follows:

Name of the Director	Number of Board Meetings Entitled to Attend	Number of Meetings Attended
Mr. Rajiv Anand	8	8
Mr. Babu Rao Busi	8	8
Ms. Bhumika Batra	8	8
Mr. Ravi Narayanan	8	7
Mr. Jagdish Deepak Saxena	8	8
Mr. Anand Kumar Shaha	4	3
Mr. Gopkumar Bhaskaran	8	7

COMMITTEES OF THE BOARD

I. AUDIT COMMITTEE

As at the end of financial year 2022-23, the Audit Committee comprised of following as its members:

Name of the Member	Designation
Mr. Babu Rao Busi	Chairman
Ms. Bhumika Batra	Member
Mr. Jagdish Deepak Saxena	Member
Mr. Ravi Narayanan	Member

During the year under review, the Audit Committee met four times viz: 11.04.2022, 13.07.2022, 13.10.2022 and 13.01.2023:

The details of the attendance of the Audit Committee Members are as follows:

Name of the Member	Number of Audit Committee Meetings Entitled to Attend	Number of Meetings Attended
Mr. Babu Rao Busi	4	4
Ms. Bhumika Batra	4	4
Mr. Jagdish Deepak Saxena	4	4
Mr. Ravi Narayanan	4	4

II. NOMINATION AND REMUNERATION COMMITTEE (NRC)

As at the end of financial year 2022-23, the Nomination & Remuneration Committee comprised of following as its members:

Name of the Member	Designation
Mr. Babu Rao Busi	Chairman
Mr. Rajiv Anand	Member
Ms. Bhumika Batra	Member

During the year under review, the Nomination and Remuneration Committee met four times viz: 11.04.2022, 11.10.2022, 09.03.2023 and 28.03.2023.

The details of the attendance of the NRC Members are as follows:

Name of the Member	Number of Nomination and Remuneration Committee Meetings Entitled to Attend	Number of Meetings Attended
Mr. Babu Rao Busi	4	4
Mr. Rajiv Anand	4	4
Ms. Bhumika Batra	4	4

III. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR)

As at the end of financial year 2022-23, the Corporate Social Responsibility Committee comprised of following as its members:

Name of the Director	Designation
Ms. Bhumika Batra	Chairperson
Mr. Babu Rao Busi	Member
Mr. Ravi Narayanan	Member
Mr. Gopkumar Bhaskaran	Member

During the year under review, the CSR Committee met thrice viz: 07.07.2022, 11.10. 2022 and 11.01.2023.

The details of the attendance of the CSR Committee Members are as follows:

Name of the Member	Number of CSR Committee Meetings Entitled to Attend	Number of Meetings Attended
Ms. Bhumika Batra	3	3
Mr. Babu Rao Busi	3	3
Mr. Ravi Narayanan	3	3
Mr. Gopkumar Bhaskaran	3	3

IV. RISK MANAGEMENT COMMITTEE (RMC)

As at the end of financial year 2022-23, the Risk Management Committee comprised of following as its members:

Name of the Director	Designation
Mr. Ravi Narayanan	Chairman
Mr. Gopkumar Bhaskaran	Member
Mr. Hemantkumar Patel	Member
Mr. Nikhil Patel	Member

During the year under review, the Risk Management Committee met four times viz: 08.04.2022, 12.07.2022, 11.10.2022 and 11.01.2023.

The details of the attendance of the RMC Members are as follows:

Name of the Member	Number of Committee Meetings Entitled to Attend	Number of Meetings Attended
Mr. Ravi Narayanan	4	4
Mr. Gopkumar Bhaskaran	4	4
Mr. Anand Kumar Shaha	3	3
Mr. Hemantkumar Patel	1	1
Mr. Nikhil Patel	1	1

The intervening gap between the Meetings was within the period prescribed under the Act.

ANNUAL EVALUATION:-

THE FORMAL ANNUAL EVALUATION HAS BEEN MADE AS FOLLOWS:-

During the year under review, the Independent Directors of the Company met on March 01, 2023 without the attendance of Non-Independent Directors and Members of Management. At the said meeting, the Independent Directors reviewed the process adopted for conduct of Board performance evaluation as recommended by the Nomination and Remuneration Committee.

The Nomination and Remuneration Committee (the Committee) of the Company is the nodal agency for conduct of said performance evaluation. The Committee Chairman reviewed and approved the manner for conducting the said performance evaluation and also determined the criteria for the same. On behalf of the Nomination and Remuneration Committee (NRC) Chairman, Management had appointed an External Agency M/s. Potentia Growth Services Private Limited for evaluating the performance of the Board, Committees, Directors and its Chairman.

The performance evaluation of the Board was conducted on various aspects of the Board's functioning such as strategic planning, identification and management of risks, succession planning and evaluation of management, audit & compliance, governance, relationship with executive management of the Company, etc. The performance evaluation of the Committees was based on criteria such as appropriate composition, clarity in terms of reference, regularity of meetings, quality of discussion/deliberation at its meetings, participation of members etc. The performance evaluation of Directors was carried out on various criteria such as attendance, participation at the meetings, interpersonal relationship with other Directors, providing guidance, knowledge and understanding of areas relevant to the operations of the Company, etc. The Performance evaluation of the Chairman was based on various aspects such as his knowledge and understanding of applicable areas, his efficiency and quality outcome in Board Meetings, guidance to the Company in strategic and critical matters, etc.

The outcomes were reviewed by the Committee and the Board in their meetings held on April 11, 2023 and April 14, 2023 respectively and their observations/ feedback were conveyed to the concerned stakeholders, for appropriate action.

DECLARATION BY INDEPENDENT DIRECTOR:-

The Company has received the declarations from its Independent Directors that they meet the Criteria of Independence as laid down under Section 149(6) of the Act.

KEY MANAGERIAL PERSONNEL:-

During the year under review, following was the change in Key Managerial Personnel:

Sr. No.	Name of the Key Managerial Personnel	Status	Date of appointment/ Resignation	Designation
1	Mrs. Komal Manoj Nagdev	Appointment	18.04.2022	Company Secretary

SHARE CAPITAL:-

During the year, there was no change in the Authorised, Issued, Subscribed and Paid – up Share Capital of the Company.

PUBLIC DEPOSITS:-

During the year under review, the Company has not accepted any deposits pursuant to Section 73 and Section 76 of the Act read with Companies (Acceptance of Deposits) Rules, 2014.

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTFLOWS:-

Information as per Section 134(3)(m) of the Act relating to the Conservation of Energy and Technology Absorption is not given since the Company is not engaged in any manufacturing activity.

During the year under review, the Company has spent **Rs. 0.24 crores** in Foreign exchange towards technology and other expenses. The Company has not earned any foreign exchange. The details of the Foreign exchange outflow are enclosed in **Annexure - A**.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENT UNDER SECTION 186:-

During the year under review, the Company has not given any loans, guarantees pursuant to Section 186 of the Companies Act, 2013 other than Margin Funding to its own customers for equity cash market purchases in the ordinary course of business. The particulars of investments made by the Company under Section 186 of the Companies Act, 2013 as at the close of the financial year are reflected in Note No. 8 of the Financial Statements. (Refer Financial Statements).

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES UNDER SUB – SECTION (1) OF SECTION 188

Information as per Section 134(3)(h) of the Act relating to the particulars of Contracts or Arrangements with Related Parties under Sub – Section (1) of Section 188 is as mentioned below:-

All Related Party Transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of business. There were no materially significant Related Party Transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

All Related Party Transactions are placed before the Audit Committee for approval. Prior omnibus approval of the Audit Committee is obtained for the transactions which are of foreseen and repetitive in nature. The transactions entered into pursuant to the omnibus approval so granted are audited and a statement giving details of all Related Party Transactions are placed before the Audit Committee.

None of the Directors has any pecuniary relationship or transactions vis-à-vis the Company. The disclosure of particulars of contracts/arrangements entered into by the Company with related parties pursuant to Clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014 in Form AOC – 2 is enclosed herewith as **Annexure - B**.

CORPORATE SOCIAL RESPONSIBILITY INITIATIVES:-

The Company recognized the importance of good corporate governance and corporate social responsibility in promoting and strengthening the trust of its clients, employees, society and other stakeholders. The Company's Corporate Social Responsibility (CSR) activities reflect its philosophy of helping to build a better, more sustainable society by taking into account the societal needs of the Community.

The Company's CSR Policy has been framed in accordance with Section 135 of the Companies Act, 2013 and the rules thereunder. The policy shall apply to all CSR programs undertaken/sponsored by the Company, executed through Axis Bank Foundation As part of its initiatives under "Corporate Social Responsibility" (CSR), the Company has contributed/undertaken project namely Sustainable Livelihood program.

Through this program, the Company aims at creating and enhancing livelihoods to contribute to poverty alleviation and integrated development, especially in some of the most backward regions of the country. The program also endeavors to promote better natural resource management, income enhancement, promote community leadership, promote women empowerment, support improvement in quality of life, facilitate access to finance and access to markets and Skill Development.

The program is identified as an ongoing program and the duration of the CSR Program would be for a period of 4 years including the financial year in which the program has commenced viz. FY 2022-23 to FY 2025-26, which may be extended for such further period(s) as decided by the Board, from time to time, in pursuance to the CSR Policy of the Company

The Sustainable Livelihood Program was executed through Axis Bank Foundation. The said project is in accordance with Schedule VII of the Companies Act, 2013.

During the year under review, the Company has spent **Rs. 3.84 crores** towards CSR activity undertaken. For detailed report refer **Annexure-C**.

POLICY OF THE NOMINATION AND REMUNERATION COMMITTEE:-

The Company has a Nomination and Remuneration Policy formulated in compliance with Section 178 of the Act read along with the applicable rules thereto as amended from time to time. The policy shall apply to all Directors (Executive and Non-Executive), Key Managerial Personnel and Senior Management. The Policy laid down the roles of the Committee, criteria for appointment of Directors, Key Managerial Personnel and Senior Management and parameters for determining the remuneration of Directors, Key Managerial Personnel, Senior Management and other employees, etc. The policy is available on the website of the Company at:

<https://simplehai.axisdirect.in/images/RegulatoryDisclosure/Policies/NominationRemunerationPolicy.pdf>

PARTICULARS OF EMPLOYEES AS REQUIRED UNDER COMPANIES ACT, 2013 AND COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014:-

The statement containing the particulars of employees as required under Section 197 (12) of the Act, read with Rule 5 (2) of the Companies (Appointment and Remuneration) Rules, 2014 is set out in an Annexure and forms part of this report. In terms of Section 136 (1) of the Act, the report and the accounts are being sent to the members excluding the aforesaid Annexure. Any member interested in obtaining a copy of the Annexure may send an e-mail to the Company Secretary at companysecretary@axissecurities.in

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013:-

The Company has in place a policy for Prevention, Prohibition & Redressal of Sexual Harassment at workplace which is in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and Rules made thereunder.

All employees are covered under this policy. The Company has constituted an Internal Complaint Committee for its Head office and branches under Section 4 of the captioned Act.

The details of the number of complaints filed and resolved during the year are as under:-

All employees are covered under this policy. The Company has constituted an Internal Complaint Committee for its Head office and branches under Section 4 of the captioned Act.

The details of the number of complaints filed and resolved during the year are as under:-

a.	Number of complaints received during the year (2022-23)	:	2
b.	Number of complaints disposed off during the year	:	2
c.	Number of cases pending for more than 90 days	:	NIL
d.	Number of workshops or awareness programs carried out against sexual harassment	:	34

DIRECTORS RESPONSIBILITY STATEMENT:-

Pursuant to sub-section (5) of Section 134 of the Act, the Board of Directors of the Company hereby state and confirm that:

- i. The applicable accounting standards have been followed in the preparation of the annual accounts and proper explanations have been furnished, relating to material departures.
- ii. Accounting policies have been selected, and applied consistently and reasonably, and prudent judgments and estimates have been made so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the profit of the Company for the year ended March 31, 2023.
- iii. Proper and sufficient care has been taken for the maintenance of adequate accounting records, in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. The annual accounts of the Company have been prepared on a going concern basis.
- v. The directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- vi. Proper system has been devised to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

COMPLIANCES:-

The Company's policy on compliance with external regulatory requirements is backed by stringent internal policies and principles to ensure, Inter alia, priority to clients' interests over proprietary interest, maintenance of confidentiality of client information and prevention of insider trading.

AUDITORS:-**i. Statutory Auditors:**

Pursuant to the provisions of Section 134 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, the Company has re-appointed M/s. S. R. Batliboi & Co. LLP, Chartered Accountants, Mumbai as the Statutory Auditors of the Company to hold office from the conclusion of 12th Annual General Meeting until the conclusion of the 17th Annual General Meeting of the Company.

ii. Secretarial Auditors:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. Pramod S. Shah & Associates, Practicing Company Secretaries, to undertake the Secretarial Audit of the Company for the financial year under review. The Report of the Secretarial Audit Report is annexed herewith as **Annexure -D**.

iii. Internal Auditors:-

Pursuant to the provisions of Section 138 of the Companies Act, 2013 and the Companies (Accounts) Rules, 2014, the Company has appointed M/s. BY & Associates, Chartered Accountants to undertake the Internal Audit of the Company for the financial year under review.

CORPORATE GOVERNANCE:-

The Company's policy on Corporate Governance is as under:

- i. To enhance the long term interest of its shareholders, provide good management, adopt prudent risk management techniques and comply with the applicable regulatory requirements, thereby safeguarding the interest of its other stakeholders such as customers, employees, creditors and vendors.
- ii. To identify and recognize the Board of Directors and the Management of the Company as the principal instruments through which good corporate governance principles are articulated and implemented.
- iii. To also identify and recognize accountability, transparency and equality of treatment for all stakeholders, as central tenets of good corporate governance.

PROSPECTS AND OUTLOOK FOR THE FUTURE

Market Recap

FY23 turned out to be a tough year for the equity markets around the world. However, the Indian equity market demonstrated remarkable resilience during this period and outperformed most of the key global markets, albeit with a marginal decline for the fiscal. NIFTY 50 index declined by ~2% during the year while the broad-based NIFTY 500 declined by 3.5%. The NIFTY Midcap 100 index stood largely flattish but the Small Cap index slid down by 9% as it exited the fiscal. It is to be noted that though the key Indian equity indices did report a decline during the year, the Dow Jones and NASDAQ indices declined even more to the tune of ~6% and 15% respectively. The other key Asian Indices such as Hang Seng, Korea, Thailand, Indonesia and others also registered negative returns during the year.

Despite India outperforming the global markets, FII outflows were substantial at US\$6bn. It was the Domestic Institutional Investors (DII) who were the significant buyers during the year with inflows of US\$32bn which supported the Indian equities during this time. Though it was a very challenging year for the Indian equity markets, it still managed to hit a new all time high on 30th Nov'22.

Retail Broking

As it happens during challenging years, retail investor volumes were much lower than the levels seen in the previous year. Currently, the retail market volumes are below the long-term average of 50%. The period post pandemic has seen a very sharp rise in Demat accounts. In FY22, 34.6mn new Demat accounts were opened taking the total number of Demat accounts in India to 89.7mn which was the sharpest rise in the history of the broking industry. On this relatively high base, the addition of Demat accounts in FY23 was slower at 24.8mn taking the total Demat accounts in India to 114.5mn. One of the critical measures of the broking industry is the NSE Active Clients or Unique Traded Clients (UTC) which represents the active customer base for the industry. UTC growth in the industry has been exceptional from FY20-22 as it grew from a base of 11mn to 36mn by the end of FY22. In FY22 itself the UTC growth was phenomenal at 91%. On a high base of FY22 and FY23 being a challenging year for the investors, UTC declined by 9% to 32.7mn investors. While the decline in UTC is significant, the number of investors participating in the market is still quite healthy providing ample room for growth for quality brokers.

Future Outlook

Corporate earnings have continued to grow in FY23 with the banking industry witnessing one of the strongest years in recent history. Even though corporate earnings have witnessed stable growth, market returns during FY23 were negative translating to compression in market valuation. With the compression of market valuations the attractiveness of the market has increased.

India Inc is in a strong balance sheet cycle which will help corporate earnings to continue to register healthy growth in FY24. Against this backdrop, market returns in FY24 are likely to be better than those seen in FY23. The significant correction in Small Cap stocks has made them even more attractive which is very critical for retail participation. Hence, participation by retail investors is likely to improve throughout the year. Moreover, the global interest rate scenario, too, is likely to peak soon which will reduce the challenges to the equity markets in terms of cost of equity, thereby enabling more flows to it across the globe.

In conclusion, FY23 was a tough year for the equity markets around the world but India still managed to outperform its peers. While FY24 will also be challenging, it is likely to be better than FY23, especially considering current equity valuations which have become cheaper than FY23 levels. Concurrently, retail investor participation, too, is likely to improve as we move forward and this, in turn, could potentially support market volumes during the fiscal.

SECRETARIAL STANDARDS:-

During the year under review, the Company has complied with the applicable Secretarial Standard issued by Institute of Company Secretaries of India.

ACKNOWLEDGEMENT:-

Your Directors would like to express their gratitude for all the guidance and co-operation received from its holding company - Axis Bank Limited. Your Directors would like to place on record their gratitude to the esteemed Clients, Bankers, Financial Institutions, Suppliers, Service providers, Advisors, Securities and Exchange Board of India (SEBI), National Stock Exchange of India Limited (NSE), BSE Limited, National Securities Depository Limited (NSDL), Central Depository Services (India) Limited (CDSL), Ministry of Corporate Affairs (MCA), Multi Commodity Exchange of India Limited (MCX), National Commodity & Derivatives Exchange Limited (NCDEX), Metropolitan Stock Exchange of India Limited (MSEI), Insurance Regulatory and Development Authority (IRDA), Central, State and Local Government Departments for their continued support and cooperation.

The Directors also express their warm appreciation to all the employees of the Company for their commendable teamwork, professionalism and contribution during the year.

For and on Behalf of the Board of Directors

Rajiv Anand

Chairman

DIN: 02541753

Address: D 2203, Vivarea, Sane Guruji Marg,
Saatrasta, Near Jacob Circle,
Mahalaxmi, Mumbai 400011

Place: Mumbai

Date: April 14, 2023

ANNEXURE-A
PARTICULARS OF FOREIGN EXCHANGE OUTFLOWS

Name of the Party	Particulars of Purpose	Amount of outflow (Rupees in Crores) FY 2022-23
DYNAMSOFT CORPORATION	Membership and subscription	0.01
APNIC PTY LTD	Membership and subscription	0.01
ELASTICSEARCH BV	Membership and subscription	0.11
ELASTICSEARCH BV	Membership and subscription	0.11
Total		0.24

For and on Behalf of the Board of Directors

Rajiv Anand
 Chairman
DIN: 02541753

Address: D 2203, Vivarea, Sane Guruji Marg,
 Saatrasta, Near Jacob Circle,
 Mahalaxmi, Mumbai 400011

Place : Mumbai
 Date : April 14, 2023

ANNEXURE - B
FORM AOC - 2

(Pursuant to Clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto:

1. Details of contracts or arrangements or transactions not at arm's length basis

a)	Name (s) of the related party and nature of relationship	:	NIL
b)	Nature of contracts/arrangements/transactions	:	NIL
c)	Duration of the contracts / arrangements / transactions	:	NIL
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	:	NIL
e)	Justification for entering into such contracts or arrangements or transactions	:	NIL
f)	Date(s) of approval by the Board	:	NIL
g)	Amount paid as advances, if any	:	NIL
h)	Date on which the special resolution was passed in general meeting as required under first proviso to Section 188	:	NIL

2. Details of material contracts or arrangement or transactions at arm's length basis

a)	Name (s) of the related party and nature of relationship	:	1. Axis Finance Limited (Group Company) 2. Axis Asset Management Company Limited (Common director / Group Company) 3. Axis Bank Limited (Holding Company) 4. Axis Capital Limited (Group Company) 5. Freecharge Payment Technologies Private Limited 6. Max Life Insurance Company Limited 7. Axis Trustee Services Limited
b)	Nature of contracts/arrangements/transactions	:	1. Availing and Rendering of services

			2. Availing and Rendering of services 3. Availing and Rendering of services, Sale, Purchase or supply of any goods or materials (allotment/ redemption of shares) 4. Availing and Rendering of services 5. Reimbursement of Expenses 6. Availing and Rendering of services and Dividend Income 7. Availing and Rendering of services
c)	Duration of the contracts / arrangements / transactions	:	1. Continuous 2. Continuous 3. Continuous 4. Continuous 5. One time 6. Continuous and One-Time 7. Continuous
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	:	1. Refer Financial statements
e)	Date (s) of approval by the Board, if any	:	April 11, 2022
f)	Amount paid as advances, if any	:	NIL

For and on Behalf of the Board of Directors

Rajiv Anand
 Chairman
DIN: 02541753

Address: D 2203, Vivarea, Sane Guruji Marg,
 Saatrasta, Near Jacob Circle,
 Mahalaxmi, Mumbai 400011

Place : Mumbai
 Date : April 14, 2023

ANNEXURE - C
Annual Report on CSR Initiatives Pursuant to Section 135 of the Act & Rules made thereunder

1.	Brief Outline of the CSR Policy	:	The Company's Corporate Social Responsibility (CSR) activities reflect its philosophy of helping to build a better, more sustainable society by taking into account the societal needs of the Community. For detailed policy, please refer our website : www.axissecurities.in				
2.	The Composition of the CSR Committee	:	Sr. No	Name of Director	Designation Nature of Directorship	Number of meeting of CSR Committee held during the year	Number of meeting of CSR Committee attended during the year
			1.	Ms. Bhumika Batra	Chairperson (Independent Director)	3	3
			2.	Mr. Gopkumar Bhaskaran	Member (Managing) Director & CEO)	3	3
			3.	Mr. Babu Rao Busi	Member (Independent Director)	3	3
			4.	Mr. Ravi Narayanan	Member (Director)	3	3
3.	Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.	:	https://simplehai.axisdirect.in/aboutus				
4.	Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report).	:	Not Applicable				
5.	Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any	:	Not Applicable				

6.	Average Net Profit of the Company as per section 135(5).	:	Rs. 192.03 Crores
7.	a. Two percent of average net profit of the company as per section 135(5): b. Surplus arising out of the CSR projects or programmes or activities of the previous financial years: c. Amount required to be set off for the financial year, if any d. Total CSR obligation for the financial year	:	a. Rs. 3.84 Crore b. NA c. NA d. Rs. 3.84 Crore
8.	a. CSR amount spent or unspent for the financial year b. Details of CSR amount spent against ongoing projects for the financial year. c. Details of CSR amount spent against other than ongoing projects for the financial year. d. Amount spent in Administrative Overheads. e. Amount spent on Impact Assessment, if applicable. f. Total amount spent for the Financial Year (8b+8c+8d+8e) g. Excess amount for set off, if any	:	a. Rs. 3.84 Crore - Spent b. NIL c. Annexure C.1 d. NIL e. NIL f. Rs. 3.84 Crore g. NIL
9.	a. Details of Unspent CSR amount for the preceding three financial years: b. Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):	:	a. NIL b. NIL
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 (asset-wise details). (a) Date of creation or acquisition of the capital asset(s).	:	NA

	(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).	: NA

ANNEXURE - C.1

c. Details of CSR amount spent against other than ongoing projects for the financial year:

Sr.	Name of the project	Item from the list of activities in schedule VII to the Act	Local area (Y/N)	Location of the Project		Amount spent for the project (in Rs.)	Mode of implementation Direct (Yes/No)	Mode of implementation Through implementing agency	
				State	District			Name	CSR Registration Number
1.	Sustainable Livelihood Programme	Livelihood enhancement projects	No	Rajasthan	i) Udaipur ii) Rajasamand	Rs. 3.84 Crore	No	Axis Bank Foundation	CSR 00002350

Bhumika Batra
Chairperson, CSR Committee
DIN: 03502004
Address: 32, Mody Street,
 Fort, Mumbai 400001

Place : Mumbai
 Date : April 14, 2023

Gopkumar Bhaskaran
Managing Director & CEO
DIN: 07223999
Address: Flat No. 1303/13 Floor,
 D Wing, RNA Continental,
 Chembur East, Mumbai - 400071

Place : Mumbai
 Date : April 14, 2023

ANNEXURE - D**Form No. MR-3
SECRETARIAL AUDIT REPORT****For the year ended 31st March, 2023**

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

To**The Members****Axis Securities Limited,**

Axis House, 8th Floor,

Wadia International Centre, Pandurang Budhkar Marg,

Worli Mumbai 400025, MH, IN

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Axis Securities Limited **CIN U74992MH2006PLC163204** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me/us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year from 01st April, 2022 to 31st March, 2023, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2023 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder **(Not Applicable to the Company during the Audit Period)**;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws Framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowings; **(Not Applicable to the Company during the Audit Period)**;
- (v) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **(Not Applicable to the Company during the Audit Period)**;

- (vi) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -
- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as amended from time to time; **(Not Applicable to the Company during the Audit Period);**
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time;
 - (c) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 and amendments from time to time;
 - (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 read with the Companies Act, 2013 and dealing with client and
 - (e) The Securities and Exchange Board of India (Stock Brokers) Regulations, 1992;
 - (f) The Securities and Exchange Board of India (Research Analysts) Regulations, 2014;
 - (g) The Securities and Exchange Board of India (Portfolio Managers) Regulation, 2020;
 - (h) The Securities and Exchange Board of India (Investment Advisers) Regulations 2013;
- (vii) We are informed that, during the year, the Company was not required to initiate any compliance related action in respect of the following laws/rules/regulations/standards, and was consequently not required to maintain any books, papers, minute books or other records or file any form/ returns thereunder:
- (i) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (ii) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
 - (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; and
 - (v) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

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

- (i) Secretarial Standards-1 & Secretarial Standards-2 issued by the Institute of Company Secretaries of India, and

- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. ("SEBI LODR") 2015 to the extent issuance of Commercial Paper in accordance with the provisions of Securities and Exchange Board of India operational circular bearing number SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021 which is updated as on April 13, 2022.

During the period under review the Company has complied with the provisions of Act, Rules, Regulations, Guidelines etc. mentioned above.

We further report that:

(I) Board Process:

1. The Board of Directors of Company as on 31st March 2023 comprised of:
 - (i) One Executive Directors,
 - (ii) Two Non- Executive Non- Independent Directors, and
 - (iii) Three Non- Executive Independent Directors, including a woman Independent Director
2. The processes relating to the following changes in the composition of the Board of Directors and Key Managerial Personal during the year were carried out in compliance with the provisions of the Act:
 - (i) Appointment of Ms. Komal Manoj Nagdev as the Designated Company Secretary and KMP of the Company with effect from 18th April, 2022 and was approved by the Board at the Board Meeting held on 11th April, 2022.
 - (ii) Resignation of Mr. Anand Kumar Shaha, Whole time Director of the Company with effect from 13th October, 2022 and was noted by the board at the Board Meeting held on 13th October, 2022.
 - (iii) Re-appointment of Mr. Gopkumar Bhaskaran as the Managing Director and CEO of the company for the period of three years effective January 1, 2023 to December 31, 2025 and was approved by the board at the Board Meeting held on 13th October, 2022 and was approved by member at the Extra Ordinary General Meeting held on 15th November, 2022.
 - (iv) Resignation of Mr. Gopkumar Bhaskaran as the Managing Director and CEO of the Company with effect from 30th April 2023 and was noted by the board at the Board Meeting held on 9th March, 2023.
 - (v) Revision in Resignation of Mr. Gopkumar Bhaskaran as the Managing Director and CEO of the Company with effect from 14th April 2023 and was noted by the board at the Board Meeting held on 28th March, 2023.

- (vi) Appointment of Mr. Pranav Haridasan as an employee of the company (Internal Designation: Designated Managing Director) with effect from 12th April, 2023 and was noted by the Board Meeting held on 28th March, 2023.
 - (vii) Appointment of Mr. Pranav Haridasan as an Additional Director of the Company with effect from 15th April, 2023 and was approved by the Board Meeting held on 28th March, 2023.
 - (viii) Appointment of Mr. Pranav Haridasan (DIN: 02733184) as Managing Director and CEO of the Company for a period of three years i.e. from April 15, 2023 to April 14, 2026 subject to the approval of - Shareholders of the Company and was approved by the Board Meeting held on 28th March, 2023.
- 3. Notice of Board and its committee meetings were sent to Directors at least seven days in advance as required under Section 173(3) of the Act and SS-1, except for four meetings which were convened at a shorter notice for which consent was received.
 - 4. Agenda and detailed notes on agenda were sent to Directors at least seven days in advance as required, for the following items were either circulated separately less than seven days before or at the Board meetings and consent of the Board for so circulating them was duly obtained as required under SS-1:
 - (i) Supplementary agenda notes and annexures in respect of unpublished price sensitive information such as audited financial statement/ results, unaudited financial results and connected papers, and
 - (ii) Additional subject/ information/ presentations and supplementary notes.
 - 5. A system exists for directors to seek and obtain further information and clarifications on the agenda items before the meetings and for their meaningful participation at the meetings.
 - 6. We note from the minutes verified that, at the Meetings of Board held during the year:
 - (i) Majority decisions were carried through; and
 - (ii) No dissenting views were expressed by any Board member on any of the subject matters discussed, that were required to be captured and recorded as part of the minutes.

(II) Compliance mechanism:

There are reasonably adequate systems and processes in the Company, commensurate with the company's size and operations, to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. There is scope for further improvement in the compliance systems and processes, commensurate with the increasing statutory requirements and growth in operations.

(III) Specific events/ actions:

During the year, the following specific events/ actions having a major bearing on the company's affairs took place, in pursuance of the above referred laws, rules, regulations and standards:

- (i) Approval of members was accorded by way of Special Resolution passed at Annual General Meeting held on June 22, 2022 to Increase borrowing limits of the company to sum not exceeding Rs. 4000 Crores (Rupees Four Thousand Crores).
- (ii) Approval of members was accorded by way of Special Resolution passed at Annual General Meeting held on June 22, 2022 to Increase Investment limits of the company to sum not exceeding Rs. 3000 Crores (Rupees Three Thousand Crores).

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board / Committee 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.

During the period, all the decisions in the Board Meetings were passed with requisite majority.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the company has not undergone any specific events/ actions that may have a major impact on the Company's affairs.

Pramod S. Shah & Associates
Practising Company Secretaries

Pramod S. Shah-Partner
Pramod S. Shah & Associates
FCS No.: 334
C P No.: 3804
UDIN.: F000334E000101941

Place : Mumbai
Date : April 14, 2023

Note: This report is to be read with our letter of even date which is annexed as 'ANNEXURE A' to MR-3 and forms an integral part of this report.

Annexure A from MR-3

To

The Members

Axis Securities Limited,

Axis House, 8th Floor,

Wadia International Centre, Pandurang Budhkar Marg,

Worli Mumbai 400025, MH, IN

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. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate laws, rules, regulations, standards are the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. As regard the books, papers, forms, reports and returns filed by the Company under the provisions referred to in our Secretarial Audit Report in Form MR-3 the adherence and compliance to the requirements of the said regulations is the responsibility of management. Our examination was limited to checking the execution and timeliness of the filing of various forms, reports, returns and documents that need to be filed by the Company with various authorities under the said regulations. We have not verified the correctness and coverage of the contents of such forms, reports, returns and documents.
7. The secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Pramod S. Shah & Associates
Practising Company Secretaries

Pramod S. Shah-Partner
Pramod S. Shah & Associates
FCS No.: 334
C P No.: 3804
UDIN.: F000334E000101941

Place : Mumbai

Date : April 14, 2023

INDEPENDENT AUDITORS' REPORT

To the Members of Axis Securities Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Axis Securities Limited ("the Company"), which comprise the Balance sheet as at March 31, 2023, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its profit including other comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the financial year ended March 31, 2023. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key audit matters	How our audit addressed the key audit matter
<p>(a) <u>Information Technology (IT)</u></p> <p>The Company's key financial accounting and reporting processes are highly dependent on the automated controls implemented in the Information Technology (IT) systems. Consequently, there exists a risk that, gaps in the IT control environment could result in the financial accounting and reporting records, being misstated. The Company's General Ledger system used for overall financial reporting is interfaced with other systems (which process transactions) impacting significant accounts.</p> <p>We have identified 'IT systems and control' as Key audit matter, since for the revenue recognition, the Company relies on automated processes and controls for recording of revenue.</p>	<p>We have focused on General IT controls i.e. access and change management controls, program, development and computer operations control and IT application controls i.e. controls on relevant system based reconciliation, system generated reports and system/application processing over key financial accounting, reporting systems and control systems.</p> <p>Our audit procedures to assess the effectiveness of IT system included the following:</p> <ul style="list-style-type: none"> • 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 general controls relating to access and change management controls, program development and computer operations. • IT specialists tested design and operating effectiveness of key controls over user access management which includes granting access right, new user creation, removal of user rights and other preventive controls. • Tested password policies, security configuration, system generated reports and system 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.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, 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.

Those charged with governance are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a

guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the financial year ended

March 31, 2023 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (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 the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
 - (g) In our opinion, the managerial remuneration for the year ended March 31, 2023 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to 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, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 37 to the financial /statements;

- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv.
 - a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the 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 its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, 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 such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v. No dividend has been declared or paid during the year by the Company.
- vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only w.e.f. April 1, 2023, reporting under this clause is not applicable.

For **S. R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number : 301003E / E300005

per Viren H. Mehta
Partner
Membership Number: 048749
UDIN: 23048749BGVGJO4859
Place of Signature: Mumbai
Date: April 14, 2023

ANNEXURE '1' REFERRED TO IN PARAGRAPH UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR AUDIT REPORT OF EVEN DATE

RE: AXIS SECURITIES LIMITED ("THE COMPANY")

In terms of the information and explanations sought by us and given by the company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- i. (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
 (B) The Company has maintained proper records showing full particulars of intangibles assets.
- (b) Property, Plant and Equipment have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) There is no immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), held by the Company and accordingly, the requirement to report on clause 3(i)(c) of the Order is not applicable to the Company.
- (d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2023.
- (e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- ii. (a) The Company's business does not require maintenance of inventories and, accordingly, the requirement to report on clause 3(ii)(a) of the Order is not applicable to the Company.
- (b) As disclosed in note 15 to the financial statements, the Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks and/or financial institutions during the year on the basis of security of current assets of the Company. The quarterly returns/statements filed by the Company with such banks and financial institutions are in agreement with the books of accounts of the Company.
- iii. (a) During the year the Company has provided loans, advances in the nature of loans, stood guarantee and provided security to companies, firms, Limited Liability Partnerships or any other parties as follows:

	Guarantee	Security	Loans	Advances in Nature of Loans
Aggregate amount granted /provided during the year	Not Applicable	Not Applicable	MTF Loan Provided to others	Not Applicable
- Subsidiaries	-	-	-	-
- Joint Ventures	-	-	-	-
- Associates	-	-	-	-
- Others	-	-	Rs. 35,467 Lakhs	-

Balance Outstanding
as at balance sheet
date in respect of
above cases

- Subsidiaries	-	-	-	-
- Joint Ventures	-	-	-	-
- Associates	-	-	-	-
- Others	-	-	Rs. 1,50,530 Lakhs	-

- iii. (b) During the year the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees to companies, firms, Limited Liability Partnerships or any other parties are not prejudicial to the Company's interest.
- iii. (c) The Company has granted loan(s) and / or advance in the nature of loans during the year to companies, firms, Limited Liability Partnerships or any other parties where the schedule of repayment of principal and payment of interest has been stipulated and the repayment or receipts are regular.
- iii. (d) There are no amounts of loans and advances in the nature of loans granted to companies, firms, limited liability partnerships or any other parties which are overdue for more than ninety days.
- iii. (e) There were no loans or advance in the nature of loan granted to companies, firms, Limited Liability Partnerships or any other parties which was fallen due during the year, that have been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.
- iii. (f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.
- iv. There are no loans, investments, guarantees, and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable and accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to the Company.
- v. The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- vi. The Company is not in the business of sale of any goods or provision of such services as prescribed. Accordingly, the requirement to report on clause 3(vi) of the Order is not applicable to the Company.

- vii. (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, cess and other statutory dues applicable to it. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable
- (b) The dues of goods and services tax, provident fund, income-tax, sales-tax, cess, and other statutory dues have not been deposited on account of any dispute, are as follows:

Name of the statute	Nature of the dues	Amount (Rs.)	Period to which the amount relates	Forum where the dispute is pending	Remarks if any
Income tax Tax	Income tax Pending appeal	27,994,887	AY 2014-15	CIT (A)	
Total		27,994,887			

- viii. The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- ix. (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company did not have any term loans outstanding during the year hence, the requirement to report on clause (ix)(c) of the Order is not applicable to the Company.
- (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 by the Company.
- (e) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) of the Order is not applicable to the Company.
- (f) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on Clause 3(ix)(f) of the Order is not applicable to the Company.
- x. (a) The Company has utilized the monies raised during the year by way of initial public offer / further public offer (including debt instruments) in the nature of Commercial papers for the purposes for which they were raised.

- (b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- xi.
 - (a) No fraud/ material fraud by the Company or no fraud / material fraud on the Company has been noticed or reported during the year.
 - (b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by secretarial auditor or us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
 - (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.
- xii.
 - (a) The Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a) of the Order is not applicable to the Company.
 - (b) The Company is not a nidhi company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(b) of the Order is not applicable to the Company.
 - (c) The Company is not a nidhi company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(c) of the Order is not applicable to the Company.
- xiii. Transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- xiv.
 - (a) The Company has an internal audit system commensurate with the size and nature of its business.
 - (b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- xvi.
 - (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.
 - (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtained 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. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
- (d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
- xvii. The Company has not incurred cash losses in the current financial year and immediately preceding financial year
- xviii. There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- xix. On the basis of the financial ratios disclosed in note 50 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that 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.
- xx. (a) There are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 43 to the financial statements.
- xxi. (b) There are no unspent amounts that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act. This matter has been disclosed in note 43 to the financial statements.

For **S. R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number : 301003E / E300005

per Viren H. Mehta

Partner

Membership Number: 048749

UDIN: 23048749BGVGJO4859

Place of Signature: Mumbai

Date: April 14, 2023

ANNEXURE '2' TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF AXIS SECURITIES LIMITED

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 Axis Securities Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("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 the 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these 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, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to these financial statements.

Meaning of Internal Financial Controls with Reference to these Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements 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, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **S. R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number : 301003E / E300005

per Viren H. Mehta

Partner

Membership Number: 048749

UDIN: 23048749BGVGJO4859

Place of Signature: Mumbai

Date: April 14, 2023

Balance sheet as at 31 March 2023

PARTICULARS	Notes	As at 31 March 2023 (₹ in Lakhs)	As at 31 March 2022 (₹ in Lakhs)
ASSETS			
1 Financial Assets			
(a) Cash and cash equivalents	3	25,573	35,147
(b) Bank balance other than (note 3) above	4	82,451	43,209
(c) Securities for trade	5	3,310	–
(d) Receivables			
Trade receivables	6	22,902	16,417
(e) Loans	7	1,49,778	1,14,489
(f) Investments	8	20,942	24,221
(g) Other financial assets	9	1,775	25,746
Total Financial Assets		3,06,731	2,59,229
2 Non - Financial Assets			
(a) Current tax assets (net)	10	1,186	1,181
(b) Property, plant and equipment	11	4,038	3,267
(c) Right-of-use-asset		4,907	5,376
(d) Capital work-in-progress	11	–	17
(e) Intangible assets under development	11	59	42
(f) Other intangible assets	11	1,586	1,461
(g) Other non-financial assets	12	1,383	1,452
Total Non- Financial assets		13,159	12,796
Total Assets		3,19,890	2,72,025

Balance sheet cntd....

PARTICULARS	Notes	As at 31 March 2023 (₹ in Lakhs)	As at 31 March 2022 (₹ in Lakhs)
LIABILITIES AND EQUITY			
LIABILITIES			
1 Financial Liabilities			
(a) Payables			
(i) Trade payables	13		
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		35,045	28,038
(b) Debt Securities	14	1,28,280	98,249
(c) Borrowing (other than debt securities)	15	12,503	-
(d) Lease Liabilities		5,452	5,724
(e) Other financial liabilities	16	24,511	42,126
Total Financials Liabilities		2,05,791	1,74,137
2 Non - Financial Liabilities			
(a) Current tax liabilities (net)	17	56	56
(b) Provisions	18	6,271	6,285
(c) Deferred tax liabilities (net)	19	2,493	3,404
(d) Other non- financial liabilities	20	2,803	3,343
Total Non-Financials Liabilities		11,623	13,088
3 EQUITY			
(a) Equity share capital	21	14,450	14,450
(b) Other equity	22	88,026	70,350
Total Equity		1,02,476	84,800
Total Liabilities and Equity		3,19,890	2,72,025

Summary of significant accounting policy 1 & 2

The accompanying notes are an integral part of the financial statements

As per our report of even date

For S.R.Batliboi & Co. LLP
Firm Registration No.: 301003E/E300005
Chartered Accountants
per Viren H. Mehta
Partner

Membership No. : 048749

Place : Mumbai

Date : 14 April 2023

For and on behalf of the Board of Directors
Rajiv Anand

Chairman

DIN No: 02541753

Hemantkumar Patel

Chief Financial Officer

PAN: AGOPP9611N

Gopkumar Bhaskaran

Managing Director & CEO

DIN No: 07223999

Komal Manoj Nagdev

Company Secretary

PAN: AVRPM1256C

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

PARTICULARS	Notes	Year ended 31 March, 2023 (₹ in Lakhs)	Year ended 31 March, 2022 (₹ in Lakhs)
Revenue from operations			
(i) Brokerage and Fee income	23	45,855	49,833
(ii) Interest Income	24	25,261	15,608
(iii) Net gain on fair value changes	25	684	559
Total Revenue from operations		71,800	66,000
(iv) Dividend Income	26	-	177
(v) Other income	27	797	186
Total Income		72,597	66,363
Expenses:			
(i) Finance costs	28	9,202	3,869
(ii) Impairment on financial instruments	29	920	1,850
(iii) Employee benefits expense	30	19,546	16,901
(iv) Depreciation, amortization and Impairment expenses	31	2,993	2,314
(v) Other expenses	32	12,717	10,601
Total expenses		45,378	35,535
Profit before tax		27,219	30,828
Tax expense:			
(i) Current tax		(7,242)	(8,373)
(ii) Adjustment of tax relating to earlier periods		25	(72)
(iii) Deferred tax		89	530
Total tax expense		(7,128)	(7,915)
Profit for the year		20,091	22,913

Statement of Profit and Loss cntd....

PARTICULARS	Notes	Year ended 31 March, 2023 (₹ in Lakhs)	Year ended 31 March, 2022 (₹ in Lakhs)
Other comprehensive income (OCI)			
(i) Items that will not be reclassified to profit or loss			
(a) Remeasurement of defined employee benefit plan		12	84
(b) Fair value gain on investment in equity shares		(3,279)	18,175
(ii) Income tax relating to items that will not be reclassified to profit or loss		822	(4,571)
Other comprehensive income		(2,445)	13,688
Total comprehensive income for the year, [comprising profit/(loss) and other comprehensive income for the year]		17,646	36,601
Earnings per equity share			
(face value of share ₹ 10 per share)	35		
Basic (in ₹)		13.90	15.86
Diluted (in ₹)		13.90	15.86

As per our report of even date

For S.R.Batliboi & Co. LLP
Firm Registration No.: 301003E/E300005
Chartered Accountants
per Viren H. Mehta
Partner

Membership No. : 048749

Place : Mumbai

Date : 14 April 2023

For and on behalf of the Board of Directors
Rajiv Anand

Chairman

DIN No: 02541753

Hemantkumar Patel

Chief Financial Officer

PAN: AGOPP9611N

Gopkumar Bhaskaran

Managing Director & CEO

DIN No: 07223999

Komal Manoj Nagdev

Company Secretary

PAN: AVRPM1256C

Statement of changes in Equity for the year ended 31 March, 2023

	31st March, 2023	31st March 2022
	(₹ in Lakhs)	(₹ in Lakhs)
A. Equity Share Capital		
Opening Balance	14,450	14,450
Changes in equity share capital due to prior period errors	-	-
Restated balance at the beginning of the current reporting period	-	-
Changes in equity share capital during the year	-	-
Closing Balance	14,450	14,450

B. Other Equity (₹ in Lakhs)

	Reserves and Surplus				Other Compre- hensive Income	Deemed Equity	Total
	Capital Reserve	Securities Premium	General Reserve	Retained earnings			
Balance as at 1 April, 2021	4	1,525	4,061	27,319	99	751	33,759
Profit for the year				22,913			22,913
<u>Items of OCI for the year net of tax:</u>	-						
Fair value gain on investment in equity shares				13,600			13,600
Remeasurement benefit of defined benefit plans				88	(99)		(11)
Total Comprehensive Income for the year	4	1,525	4,061	63,920	-	751	70,261
Any other changes:							
Additions during the year (net) (refer note 51)				-		89	89
Transfer to general reserves			599	-		(599)	-
Balance as at 31 March, 2022	4	1,525	4,660	63,290	-	241	70,350
Balance as at 1 April, 2022	4	1,525	4,660	63,290	-	241	70,350
Profit for the year				20,091			20,091
<u>Items of OCI for the year net of tax:</u>							
Fair value gain on investment in equity shares				(2,454)			(2,454)
Remeasurement benefit of defined benefit plans				9			9
Total Comprehensive Income for the year	4	1,525	4,660	81,566	-	241	87,996
Any other changes:							
Additions during the year (net) (refer note 51)						30	30
Transfer to general reserves			89	-	-	(89)	-
Balance as at 31 March 2023	4	1,525	4,749	81,566	-	182	88,026

As per our report of even date

For S.R.Batliloi & Co. LLP
Firm Registration No.: 301003E/E300005
Chartered Accountants
per Viren H. Mehta
Partner
Membership No. : 048749
Place : Mumbai
Date : 14 April 2023
For and on behalf of the Board of Directors
Rajiv Anand
Chairman
DIN No: 02541753
Hemantkumar Patel
Chief Financial Officer
PAN: AGOPP9611N
Gopkumar Bhaskaran
Managing Director & CEO
DIN No: 07223999
Komal Manoj Nagdev
Company Secretary
PAN: AVRPM1256C

Cash flow statement for the year ended 31 March 2023

PARTICULARS	Year Ended 31 March, 2023 (₹ in Lakhs)	Year Ended 31 March, 2022 (₹ in Lakhs)
Cash flow from operating activities		
Profit before tax	27,219	30,828
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation amortization and Impairment expense	2,993	2,314
Profit on sale of investments (fair value through P & L)	(64)	(57)
Net loss on derecognition of property, plant and equipment	98	143
Interest income	(3,708)	(1,956)
Impairment on financial instruments	(187)	1,763
Share based payments to employees	29	88
Interest expense	8,926	3,869
Operating profit before working capital changes	35,306	36,992
Adjustments for changes in working capital		
(Increase) / Decrease in trade receivables	(6,121)	(6,084)
(Increase) / Decrease in loans	(35,466)	(70,470)
(Increase) / Decrease in other financial assets	23,971	(22,753)
(Increase) / Decrease in Securities for trade	(3,310)	–
(Increase) / Decrease in other non Financial assets	69	719
Increase / (Decrease) in trade payables	7,007	8,777
Increase / (Decrease) in other financial liabilities	(17,614)	21,526
Increase / (Decrease) in provision	(2)	1,010
Increase / (Decrease) in other non financial liabilities	(540)	392
Cash (used in) / generated from operations	3,300	(29,891)
Income tax paid (net)	(7,222)	(8,516)
Net cash (used in) / generated from Operating activities (A)	(3,922)	(38,407)
Cash flow from Investing activities		
Investment in bank fixed deposit under lien with exchange	(38,910)	(3,735)
Interest on bank fixed deposit under lien with exchange	3,345	2,097
Purchase of property, plant and equipment	(2,294)	(2,617)
Proceeds from sale of property, plant and equipment	15	14
Increase in Capital work in progress	17	134
Gain on Other Investments	64	57
Purchase of intangible assets incl. intangible under developments	(778)	(617)
Proceeds from sale of Intangible assets	-	7
Net cash (used in) / generated from Investing activities (B)	(38,541)	(4,660)

Cash flow statement cntd....

PARTICULARS	Year Ended 31 March, 2023 (₹ in Lakhs)	Year Ended 31 March, 2022 (₹ in Lakhs)
Cash flow from Financing activity		
Interest paid on borrowings	(8,393)	(3,459)
Interest paid on lease liabilities	(530)	(410)
Payment of lease liabilities	(719)	(505)
Borrowing other than debt securities (net)	12,500	–
Proceeds from issuance of commercial paper	4,57,531	2,72,461
Redemption of commercial paper	(4,27,500)	(2,11,500)
Net cash (used in) / generated from Financing activities (C)	32,889	56,587
Net (decrease) / increase in cash and cash equivalents (A+B+C)	(9,574)	13,520
Cash and cash equivalents at the beginning of the year	35,147	21,627
Cash and cash equivalents at the end of the year	25,573	35,147
Components of cash and cash equivalents		
Cash and Cash Equivalents comprises of :		
Balances with banks:		
– In current accounts	17,070	30,144
– Balance in prepaid cards	–	1
– Fixed deposit with original maturity less than 3 months	8,500	5,000
– Interest accrued on Fixed deposits	3	2
Total Cash and Cash Equivalents	25,573	35,147

The above Statement of Cash flows has been prepared under the "Indirect Method" as set out in Indian Accounting Standard (IND AS) - 7 'Statement of Cash Flows' notified under section 133 of the Companies Act 2013, read together with Companies (Indian Accounting Standards) Rules, 2015.

As per our report of even date

For S.R.Batliboi & Co. LLP
Firm Registration No.: 301003E/E300005
Chartered Accountants

For and on behalf of the Board of Directors

per Viren H. Mehta
Partner
Membership No. : 048749

Rajiv Anand
Chairman
DIN No: 02541753

Gopkumar Bhaskaran
Managing Director & CEO
DIN No: 07223999

Place : Mumbai
Date : 14 April 2023

Hemantkumar Patel
Chief Financial Officer
PAN: AGOPP9611N

Komal Manoj Nagdev
Company Secretary
PAN: AVRPM1256C

Notes forming part of the financial statements

1 Corporate Information

Axis Securities Limited ('the Company') is a public company domiciled in India and is incorporated under the provision of Companies Act applicable in India. The Company is engaged in the business of broking, providing margin trading funding, distribution of financial products and advisory services. The Company is a depository participant of National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) and is also registered as a portfolio manager with Securities and Exchange Board of India (SEBI). The Company is registered as a Mutual Fund Advisor with Association of Mutual Funds in India (AMFI) and also acts as a corporate agent with the Insurance Regulatory and Development Authority ("IRDA"). The Company is debt listed public limited Company and is a wholly owned subsidiary of Axis Bank Limited (the "Parent"). Its registered office is situated at Mumbai, India. The registered office address of the Company is Axis house, 8th Floor, Wadia international centre, Pandurang Budhkar Marg, Worli, Mumbai 400025

2 Basis of preparation

Statement of compliance

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 read together with of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

The financial statements have been prepared on a historical cost convention and on accrual basis, except for fair value through other comprehensive income (FVOCI) instruments and certain financial assets and liabilities designated at fair value through profit or loss (FVTPL), all of which have been measured at fair value. Net defined benefit (assets) / liability are measured at fair value of plan assets less present value of defined benefit obligation.

Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. The Company's financial statements are presented in Indian Rupees (INR)/₹, which is also its functional currency and all values are rounded to nearest lakhs, except when otherwise indicated.

The financial statements for the year ended March 31, 2023 are being authorised for issue in accordance with a resolution of the Board of Directors passed on April 14, 2023

The Balance Sheet, The Statement of changes in Equity and the Statement of Profit and loss are presented in the format prescribed under Division III of Schedule III of the Companies Act, as amended from time to time that are required to comply with Ind AS. The statement of Cash flows has been presented as per the requirements of Ind AS 7 Statement of Cash flows.

2.1 Significant accounting policies

I Use of estimates and Judgements

The preparation of the financial statements in conformity with Ind AS requires that management make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities as of the date of the financial statements and the income and expense for the reporting

Notes forming part of the financial statements

period. Actual results could differ from those estimates. The management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. The estimates and the underlying assumptions are reviewed on an ongoing basis. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

(a) Determination of the estimated useful lives of property, plant and equipment and intangible assets :

Useful lives of property, plant and equipment are taken as prescribed in Schedule II of the Act. In cases, where the useful lives are different from that prescribed in Schedule II and in case of intangible assets, they are estimated by management based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support.

(b) Recognition and measurement of defined benefit obligations:

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post- employment benefit obligations. Due to complexities involved in the valuation and its long term nature, defined benefit obligation is sensitive to changes in these assumptions.

(c) Recognition of deferred tax assets / liabilities:

Deferred tax assets and liabilities are recognised for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the deductible temporary differences could be utilised.

(d) Recognition and measurement of provision and contingencies:

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the reporting date. The actual outflow of resources at a future date may therefore, vary from the amount included in other provisions.

(e) Determining whether an arrangement contains a lease:

In determining whether an arrangement is, or contains a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease date if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset, even if that right is not explicitly specified in the arrangement.

(f) Impairment of financial assets:

The Company recognises loss allowances for expected credit losses on its financial assets measured at amortised cost. At each reporting date, the Company assesses whether financial

Notes forming part of the financial statements

assets carried at amortised cost are credit- impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

(g) Determination of lease term

Ind AS 116 – Leases requires lessee to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes assessment on the expected lease term on lease by lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of lease and the importance of the underlying to the Company's operations taking into account the location of the underlying asset and the availability of the suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

(h) Discount rate for lease liability

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated.

(i) Effective Interest Rate (EIR) method

The Company's EIR methodology, recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the financial instruments. This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well as expected changes to India's base rate and other fee income/expense that are integral parts of the instrument.

II Measurement of Fair Value

The Company's accounting policies and disclosures require the measurement of fair values for, both financial and non-financial assets and liabilities. When measuring the fair value of a financial asset or a financial liability, the Company uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level. This is the case for unlisted equity securities included in level 3.

Notes forming part of the financial statements

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

III Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognized when Company becomes party to the contractual provisions of the instruments.

(a) Recognition and Initial measurements

Date of recognition

Financial assets and liabilities, with the exception of loans, deposits, debt securities and borrowings are initially recognised on the trade date, i.e., the date that the Company becomes a party to the contractual provisions of the instrument. This includes regular way trades, purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset. Loans are recognised when funds are transferred to the customers' account. The Company recognises debt securities, deposits and borrowings when funds reach the Company.

All financial instruments are recognized initially at fair value. However, in the case of financial instruments not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial instruments are added to the fair value.

(b) Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at :

- Amortized Cost (AC)
- Fair value through profit and loss (FVTPL)
- Fair value through other comprehensive income (FVOCI)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period, the Company changes its business model for managing financial assets. The Company classifies its financial assets in the following measurement categories:

Financial assets measured at amortized cost:

A financial asset that meets the following two conditions is measured at amortized cost (net of any written down for impairment) unless the asset is designated at FVTPL under the fair value option.

Notes forming part of the financial statements

Business model test: The objective of the Company's business model is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realize its fair value changes).

Cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Financial assets at Fair Value Through Other Comprehensive Income (FVOCI):

A 'financial asset' is classified as at the FVOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI.

These assets are subsequently measured at fair value. Interest income under the effective interest method, dividends (unless the dividend clearly represents a recovery of part of the cost of the investment), foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Financial assets at Fair Value Through Other Comprehensive Income (FVOCI) (Equity instruments):

On initial recognition, a one time irrevocable choice for all equity instruments to designate the respective equity instrument as Fair Value through Other Comprehensive Income (FVOCI). All unrealized gains and losses are recognised in OCI except dividend income which is recognised in profit and loss and on disposal, all the accumulated gains or losses are transferred directly to retained earnings.

Financial assets at Fair Value Through Profit or Loss (FVTPL):

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in the statement of profit and loss. Financial assets that are held for trading are measured at FVTPL.

The assets classified in the aforementioned categories are subsequently measured as follows:

Classification, subsequent measurement

Financial Liabilities

Financial liabilities are classified at amortised cost. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on

Notes to financial statements for the year ended 31 March, 2023

derecognition is also recognised in profit or loss.

(c) De-recognition**Financial assets**

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

(d) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

IV Reclassification of financial assets and financial liabilities

An entity is required to reclassify financial assets when and only when it changes its business model for managing financial assets.

Reclassifications are expected to be very infrequent. Such changes must be determined by the entity's senior management as a result of external or internal changes and must be significant to the entity's operations and demonstrable to external parties.

Further re- classification is not allowed in following cases;

- Investments in equity instruments irrevocably designated as at FVOCI cannot be reclassified.
- Reclassification of financial liabilities

V Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss model (ECL) for measurement and recognition of impairment loss. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. At each reporting date, the Company assesses whether the loans have been

Notes to financial statements for the year ended 31 March, 2023

impaired. The Company is exposed to credit risk when the customer defaults on his contractual obligations. For the computation of ECL, the loan receivables are classified into three stages based on the default and the aging of the outstanding. If the amount of an impairment loss decreases in a subsequent period, and the decrease can be related objectively to an event occurring after the impairment was recognised, the excess is written back by reducing the loan impairment allowance account accordingly. The write-back is recognised in the statement of profit and loss. The Company recognises life time expected credit loss for trade receivables and has adopted the simplified method of computation as per Ind AS 109. The Company considers outstanding overdue for more than 90 days for calculation of expected credit loss. A financial asset is written off when there is no reasonable expectation of recovering the Contractual cash flows.

VI Revenue from Contracts with Customers

Revenue (other than for those items to which Ind AS 109 Financial Instruments are applicable) is measured at fair value of consideration received or receivable. Ind AS 115 Revenue from contracts with customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers.

The Company recognises revenue from contracts with customers based on 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 performance obligation.

The Company recognises revenue from the following sources :

(a) Brokerage Income

Revenue recognition for brokerage fees can be divided into the following two categories:

1) Brokerage fees – point in time

Brokerage income on securities is recognized as per contracted rates at the execution of transactions on behalf of the customers on the trade date.

Notes to financial statements for the year ended 31 March, 2023

2) Brokerage fees – over the time

Fees earned for the provision of services are recognised over time as the customer simultaneously receives and consumes the benefits, as the services are rendered. These include brokerage fees which is fixed at inception irrespective of number of transaction executed. The revenue for such contracts is recognised on consumption of benefits and the balance unutilized plan value is recognised on maturity/ validity of plan.

- (b) Selling commissions/ brokerage generated from primary market operations i.e. procuring subscriptions from investors for public offerings of companies, mutual funds etc are recorded on determination of the amount due to the company, once the allotment of securities are completed.

(c) Portfolio management fees

Portfolio management fees are recognised when corpus is offered for investment by the customer. Subsequently fees are charged at contracted rates periodically.

Further, fees are charged on withdrawal of invested funds before a specified period.

(d) Depository fees and Services

Revenue from depository services on account of annual maintenance charges have been accounted for over the period of the performance obligation. Revenue from depository services on account of transaction charges is recognised point in time when the performance obligation is satisfied.

(e) Interest income

Interest income is recognised using the effective interest rate method. Interest is earned on Margin trading funding facility provided to the customers and is recognised on a time proportion basis taking into account the amount outstanding from customers and the rates applicable.

(f) Income from investments

Income from sale of investments is determined on weighted average basis and recognised on the trade date basis.

(g) Dividend Income

Dividend income is recognised when the right to receive payment of the dividend is established, it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

VII Property, plant and equipment

(a) Recognition and measurement

Property, plant and equipment are stated at cost, net off accumulated depreciation and

Notes to financial statements for the year ended 31 March, 2023

accumulated impairment losses, if any. Cost comprises of purchase price and expenses directly attributable to bringing the asset to its working condition for its intended use.

Gains or losses arising from disposal or retirement of Property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised net, within "Other Income" or "Other Expenses", as the case maybe, in the Statement of Profit and Loss in the year of disposal or retirement.

Capital work-in-progress are Property, plant and equipment which are not yet ready for their intended use. Such assets are carried at cost comprising direct cost and related incidental expenses. Advances given towards acquisition of fixed assets outstanding at each reporting date are shown as other non-financial assets.

Depreciation is not recorded on capital work-in progress until construction and installation is completed and assets are ready for its intended use.

(b) Subsequent expenditure

Subsequent expenditure related to an item of Property, plant and equipment are added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing Property, plant and equipment including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the Statement of profit and loss for the period during which such expenses are incurred.

(c) Depreciation

Depreciation is provided on a pro-rata basis to fully depreciate the assets using the straight-line method over the estimated useful lives of the assets.

For the following categories of assets, depreciation on property, plant and equipment has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

Assets	Estimated useful life
Leasehold improvements	Over the remaining period of the lease
Electrical fittings and other equipments	10 years
Furniture and fittings	10 years
Office equipments	5 years
Computers Hardware	3 years

For the following categories of property, plant and equipment, the Company has assessed useful life based on technical advice, taking into account the nature of the asset, the estimates usage of asset, the operating condition of asset, anticipated technological changes and utility in the business, as below:

Notes to financial statements for the year ended 31 March, 2023

Assets	Estimated useful life
Motor Vehicle	4 years
Mobile Equipment	2 years

All Property, plant and equipment costing less than Rs. 5,000 individually are fully depreciated in the year of purchase. Useful lives are reviewed at each financial year end and adjusted if required.

VIII Intangible assets

(a) Recognition and measurement

Intangible assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any.

Cost of an intangible asset includes purchase price, non-refundable taxes and duties and any other directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates.

(b) Subsequent expenditure

Subsequent expenditure on an intangible asset is charged to the Statement of Profit and Loss as an expense unless it is probable that such expenditure will enable the intangible asset increase the future benefits from the existing asset beyond its previously assessed standard of performance and such expenditure can be measured and attributed to the intangible asset reliably, in which case, such expenditure is capitalised. Expenditure on software development eligible for capitalisation are carried as Intangible assets under development where such assets are not yet ready for their intended use.

(c) Amortisation

Intangible assets are amortised on a straightline basis over their estimated useful lives. The amortisation period and the amortisation method are reviewed at each reporting date. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly.

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss in the year of disposal.

The estimated useful lives of intangible assets used for amortisation are:

Assets	Estimated useful life
Computer Software	5 Years

All intangible assets costing less than Rs. 5,000 individually are fully amortised in the year of acquisition.

Notes to financial statements for the year ended 31 March, 2023

IX Impairment of non Financial Assets

The Company assesses at the 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. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs of disposal and its value in use. The 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 groups of assets. Where the carrying amount of an asset or CGU 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 available. If no such transactions can be identified, an appropriate valuation model is used. Impairment losses are recognised in statement of profit and loss.

X Leases

The Company as lessee

The Company lease asset primarily consist of leases for office premises. The Company assesses whether a contract contains a lease, at inception of a contract. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease; and
- (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

Notes to financial statements for the year ended 31 March, 2023

The discount rate is generally based on the incremental borrowing rate of the Company, specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

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

XI Borrowings costs

Borrowing costs include interest expense as per the effective interest rate (EIR) and other costs incurred by the Company in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of those property, plant & equipment and intangible assets which necessarily take a substantial period of time to get ready for their intended use are capitalized. Other borrowing costs are recognized as an expense in the year in which they are incurred.

The difference between the discounted amount mobilized and redemption value of commercial papers is recognized in the statement of profit and loss over the life of the instrument using the EIR.

XII Employee benefits**(a) Short term employee benefits**

Short term employee benefits include salaries and short term cash bonus. A liability is recognised for the amount expected to be paid under short-term cash bonus or target based incentives if the Company has a present legal or constrictive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably. These costs are recognised as an expense in the Statement of Profit and Loss at the undiscounted amount expected to be paid over the period of services rendered by the employees to the Company.

(b) Defined Contribution Plan

Retirement benefits in the form of provident fund is a defined contribution scheme. The Company is statutorily required to contribute a specified portion of the basic salary of an

Notes to financial statements for the year ended 31 March, 2023

employee to a provident fund as part of retirement benefits to its employees. The contributions are charged to the Statement of profit and loss of the year when the contributions to the respective funds are due. There are no obligations other than the contribution payable to the provident fund.

(c) Defined benefits Plan

The Company pays gratuity, a defined benefit plan, to its employees whose employment terminates after a minimum period of five years of continuous service on account of retirement or resignation. A defined benefit plan is a post employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of the defined benefit plan is calculated by estimating the amount of future benefit that employee has earned in exchange of their service in the current and prior periods and discounted back to the current valuation date to arrive at the present value of the defined benefit obligation. The defined benefit obligation is deducted from the fair value of plan assets, to arrive at the net asset / (liability), which need to be provided for in the books of accounts of the Company.

As required by the Ind AS 19, the discount rate used to arrive at the present value of the defined benefit obligations is based on the Indian Government security yields prevailing as at the balance sheet date that have maturity date equivalent to the tenure of the obligation.

The calculation is performed by a qualified actuary using the projected unit credit method. When the calculation results in a net asset position, the recognised asset is limited to the present value of economic benefits available in form of reductions in future contributions.

Remeasurements arising from defined benefit plans comprises of actuarial gains and losses on benefit obligations, the return on plan assets in excess of what has been estimated and the effect of asset ceiling, if any, in case of over funded plans. The Company recognises these items of remeasurements in other comprehensive income and all the other expenses related to defined benefit plans as employee benefit expenses in their profit and loss account.

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 recognised immediately in the profit or loss account when the plan amendment or when a curtailment or settlement occurs.

(d) Share based payments Transactions - Equity Settled Transactions

The holding company (Axis Bank Limited) of the company operates share option schemes for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Company's operations. Employees (including directors) of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments ("equity settled transactions").

The cost of equity-settled transactions with employees and directors for the grant is measured by reference to the fair value at the date at which they are granted. The cost of equity-settled transactions is recognised in profit or loss, together with a corresponding increase in reserves, representing contribution received from the holding company for the ESOP granted

Notes to financial statements for the year ended 31 March, 2023

prior to March 2021. The ESOP granted post March 2021, The cost of equity-settled transactions is recognised in profit or loss, together with a corresponding payable to the holding company (Axis Bank Limited) over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transaction at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the company's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

XIII Income taxes

Income tax expense comprises current and deferred tax. It is recognised in standalone statement of profit and loss except to the extent that it relates to items recognised directly in equity or in OCI.

Current income tax

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961. Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognized outside profit or loss is recognised outside profit or loss (either in other comprehensive income or 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.

Current tax assets and liabilities are offset only if, the Company has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred income tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purpose and the amounts for tax purposes. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised, for all deductible temporary differences, to the extent it is probable that future taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the

Notes to financial statements for the year ended 31 March, 2023

related tax benefit will be realised, such reductions are reversed when the probability of future taxable profits improves.

The tax effects of income tax losses, available for carry forward, are recognised as deferred tax asset, when it is probable that future taxable profits will be available against which these losses can be set-off.

XIV Foreign currency transactions

The functional currency and the presentation currency of the Company is Indian Rupees. Foreign currency transactions are recorded at the exchange rate prevailing on the date of transaction. Exchange differences arising on settlement of revenue transactions are recognised in the statement of profit and loss. Monetary assets and liabilities contracted in foreign currencies are restated at the rate of exchange ruling at the Balance Sheet date. Non monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured at historical cost in foreign currency are not retranslated at reporting date.

XV Segment reporting policies

The Company's business is to provide broking services, to its clients, in the capital markets in India. All other activities of the Company are ancillary to the main business. As such, there are no reportable segments that need to be reported separately as defined in Ind AS 108, Operating Segments.

XVI Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

XVII Provisions

A provision is recognized when the Company has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made of the amount of obligation. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the reporting date. These are reviewed at each reporting date and adjusted to reflect the current best estimates.

XVIII Contingent liabilities and assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it

Notes to financial statements for the year ended 31 March, 2023

is not probable that an outflow of resources will be required to settle the obligation. The Company does not recognize a contingent liability but discloses its existence in the financial statements. Contingent assets are neither recognised nor disclosed.

Bank Guarantee : Bank Guarantee are taken from banks and kept with exchanges as a margin to meet the margin obligation.

XIX Cash and cash equivalents

Cash and cash equivalents consist of cash in hand, demand deposits and short term deposit with banks with original maturities of three months or less and other short-term highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

3. Cash and cash equivalents

Particulars	31 March 2023 (₹ in Lakhs)	31 March 2022 (₹ in Lakhs)
Cash and cash equivalents		
Cash on hand	–	–
Balances with banks (of the nature of cash and cash equivalents)		
– In current accounts with Banks	17,070	30,144
– Balance in prepaid cards	–	1
Others		
– Fixed deposit with original maturity less than 3 months	8,500	5,000
– Interest accrued on Fixed deposits	3	2
Total	25,573	35,147

4. Bank balances other than (3 above)

Particulars	31 March 2023 (₹ in Lakhs)	31 March 2022 (₹ in Lakhs)
Bank balances		
Fixed deposits with banks more than 3 months but less than 12 months**	74,904	40,750
Bank deposits with more than 12 months maturity	6,836	2,080
Interest accrued on fixed deposits	711	379
Total	82,451	43,209

** Fixed deposits under lien with stock exchanges amounted to ₹49,005 lakhs (March 31, 2022 : ₹ 25,849 lakhs)

Kept as collateral security towards bank guarantees issued amounted to ₹ 27,735 lakhs (March 31, 2022 : ₹15,316 lakh)

Kept as collateral security against bank overdraft facility amounted to ₹ 5,000 lakh (March 31, 2022 : ₹ 1,665 lakh)

Notes forming part of the financial statements for the year ended 31 March, 2023

5. Securities for trade

Particulars	31 March 2023 (₹ in Lakhs)	31 March 2022 (₹ in Lakhs)
At fair value through profit or loss		
Securities for trade in India		
Market Linked Debentures:		
– Creditaccess Grameen Limited (05-09-2023)	114	–
– Five-Star Business Finance Limited (30-04-2023)	2,082	–
– Shriram Transport Finance Company Limited (27-04-2023)	1,114	–
Total	3,310	–

6. Trade Receivables

Particulars	31 March 2023 (₹ in Lakhs)	31 March 2022 (₹ in Lakhs)
(a) Receivable considered good - Secured	7,794	7,125
(b) Receivable considered good - Unsecured	15,108	9,292
(c) Receivable - credit impaired	1,990	2,404
Less: Impairment Loss Allowances	(1,990)	(2,404)
Total	22,902	16,417

Additional disclosure of Trade receivables

Particulars	31 March 2023 (₹ in Lakhs)	31 March 2022 (₹ in Lakhs)
a) Undisputed Trade Receivables - considered good	22,902	16,417
b) Undisputed Trade Receivables - which have significant increase in credit risk	–	–
c) Undisputed Trade Receivables - credit impaired	1,913	2,344
d) Disputed Trade Receivables - considered good	77	60
e) Disputed Trade Receivables - which have significant increase in credit risk	–	–
f) Disputed Trade Receivables - credit impaired	–	–
Total	24,892	18,821

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

7. Loans

Particulars	31 March 2023 (₹ in Lakhs)	31 March 2022 (₹ in Lakhs)
At Amortised Cost (In India)		
Margin Trading Funding*	1,50,530	1,15,064
Less : Allowances for impairment loss	(752)	(575)
Total	1,49,778	1,14,489

* This represent the margin trading facility extended to broking customers which are fully secured against cash and/ or collateral of approved securities.

Notes forming part of the financial statements for the year ended 31 March, 2023

8. Investments

Particulars	31 March 2023 (₹ in Lakhs)	31 March 2022 (₹ in Lakhs)
At fair value through other Comprehensive income		
Investment in India		
Equity Instruments (Un-quoted)		
Max Life Insurance Company Limited	20,942	24,221
Qty : 19,188,128 (31st March 2022 19,188,128)		
Equity shares of Rs 10 each		
Less : Impairment loss allowances	–	–
Total	20,942	24,221

9. Other Financial Asset

Particulars	31 March 2023 (₹ in Lakhs)	31 March 2022 (₹ in Lakhs)
Security deposit		
- Unsecured , considered good	731	651
- Unsecured , considered doubtful	–	26
	731	677
Less: Provision for doubtful receivable	–	(26)
	731	651
Margin monies with clearing member	257	24,481
	257	24,481
Others		
Accrued Income	706	571
Others	81	43
Total	1,775	25,746

10. Current Tax assets (net)

Particulars	31 March 2023 (₹ in Lakhs)	31 March 2022 (₹ in Lakhs)
Advance income-tax (net)	1,186	1,181
(net of provision for tax of ₹ 17,336 Lakhs)		
(Previous Year : ₹ 15,825 Lakhs)		
TOTAL	1,186	1,181

Notes forming part of the financial statements for the year ended 31 March, 2023

11. Property, Plant and Equipment											(₹ in Lakhs)	
		Tangible Assets							Intangible Assets			
	Particulars	Improvements to household premises	Furniture	Office equipment	Computers	Motor Vehicle	Trangible Assets (a)	Capital Work-in-progress (b)	Total (a+b)	Software (c)	Intangible asset under developement (d)	Total (c+d)
Gross Block	At 1 April 2021	677	245	708	3,871	86	5,587	151	5,738	4,503	107	4,610
	Additions	957	81	490	988	101	2,617	17	2,634	682	42	724
	Disposals	535	166	338	209	-	1,248	151	1,399	550	107	657
	At 1 April 2022	1,099	160	860	4,650	187	6,956	17	6,973	4,635	42	4,677
	Additions	583	415	387	746	163	2,294	-	2,294	761	59	820
	Disposals	93	38	51	62	17	261	17	278	-	42	42
	At 31 March 2023	1,589	537	1,196	5,334	333	8,989	-	8,989	5,396	59	5,455
Depreciation and impairment	At 1 April 2021	567	177	576	2,485	23	3,828	-	3,828	3,071	-	3,071
	Depreciation charge	88	74	118	770	46	1,096	-	1,096	646	-	646
	Disposals	441	116	326	208	-	1,091	-	1,091	543	-	543
	Impairment	(102)	(41)	(1)	-	-	(144)	-	(144)	-	-	-
	At 1 April 2022	112	94	367	3,047	69	3,689	-	3,689	3,174	-	3,174
	Depreciation charge	170	54	202	916	70	1,412	-	1,412	636	-	636
	Disposals	31	23	27	58	9	148	-	148	-	-	-
	Impairment	(2)	-	-	-	-	(2)	-	(2)	-	-	-
	At 31 March 2023	249	125	542	3,905	130	4,951	-	4,951	3,810	-	3,810
Net book value	At 31 March 2023	1,340	412	654	1,429	203	4,038	-	4,038	1,586	59	1,645
	At 31 March 2022	987	66	493	1,603	118	3,267	17	3,284	1,461	42	1,503

Notes forming part of the financial statements for the year ended 31 March, 2023

12. Other non-financial assets

Particulars	31 March 2023 (₹ in Lakhs)	31 March 2022 (₹ in Lakhs)
Others		
Capital Advances	28	58
Advance to Employees	21	41
Advance to Supplier	113	97
Prepaid expenses	808	547
Balances with statutory / government authorities	413	709
Total	1,383	1,452

13. Trade Payables

Particulars	31 March 2023 (₹ in Lakhs)	31 March 2022 (₹ in Lakhs)
Trade payables		
a) Total outstanding dues of micro enterprises and small enterprises	–	–
b) Total outstanding dues of creditors other than micro enterprises and small enterprises	35,045	28,038
TOTAL	35,045	28,038

14. Debt Securities

Particulars	31 March 2023 (₹ in Lakhs)	31 March 2022 (₹ in Lakhs)
At amortised Cost		
Debt securities in India		
Commercial papers - Unsecured	1,30,000	99,000
Less: Unamortised discount	(1,720)	(751)
Total	1,28,280	98,249
Commercial paper (unsecured)		
Amount outstanding	1,28,280	98,249
Tenure	90 - 91 days	88 - 325 days
Rate of interest	7.59% to 8.09%	4.17% to 5.10%
Repayment schedule	At maturity	At maturity

Note: The Company has issued the Commercial papers (CP) for the purpose of financing margin trading funding book and for working capital requirements and the CP proceeds are used for the disclosed purpose.

Notes forming part of the financial statements for the year ended 31 March, 2023

15. Borrowings (Other than Debt Securities)

Particulars	31 March 2023 (₹ in Lakhs)	31 March 2022 (₹ in Lakhs)
At amortised Cost		
Secured Loans		
Bank Overdraft		
- From Banks*	12,503	–
(Secured against charge on margin trading facility receivables and book debts and a lien on fixed deposits)		
Total	12,503	–

* amount is less than 1 lakhs

Note : The Company has borrowed OD facility from Bank for the purpose of financing margin trading funding book, meeting the exchange obligation and for working capital requirements and proceeds are used for the disclosed purpose.

16. Other Financial Liabilities

Particulars	31 March 2023 (₹ in Lakhs)	31 March 2022 (₹ in Lakhs)
Payables		
- Due to holding company	180	170
- Due to others	1,996	802
Deposit from SubBroker	253	151
Salary & incentive payable	85	85
Margin money received from client	21,997	40,918
Total	24,511	42,126

17. Current Tax Liabilities (net)

Particulars	31 March 2023 (₹ in Lakhs)	31 March 2022 (₹ in Lakhs)
Income Tax payable	56	56
Total	56	56

18. Provisions

Particulars	31 March 2023 (₹ in Lakhs)	31 March 2022 (₹ in Lakhs)
Provision for employee benefits		
Salary & employee benefits	2,931	3,422
Gratuity payable (refer note 40)	126	151
A	3,057	3,573

Notes forming part of the financial statements for the year ended 31 March, 2023

Others

Provision for expenses	2,864	2,412
Provision for contingency	350	300
B	3,214	2,712
Total (A) + (B)	6,271	6,285

19. Deferred Tax (net)

Particulars	31 March 2023 (₹ in Lakhs)	31 March 2022 (₹ in Lakhs)
Temporary differences attributable to:		
Deferred tax Assets		
Impairment on Financial Assets	778	832
On Depreciation, impairment and amortisation	243	162
Lease Liabilities	1,420	1,484
Employee benefits - OCI	25	29
Others	25	17
	2,491	2,524
Deferred tax liabilities		
Gain on investment in equity shares - OCI	3,749	4,575
Right of use of assets	1,235	1,353
	4,984	5,928
Net deferred tax asset /(liability) recognised on the balance sheet	(2,493)	(3,404)

20. Other non-financial Liabilities

Particulars	31 March 2023 (₹ in Lakhs)	31 March 2022 (₹ in Lakhs)
Other liabilities		
Income received in advance	1,140	1,288
Undisputed statutory dues	1,193	1,509
Sundry creditors for capital expenditure	178	60
Others	292	486
Total	2,803	3,343

Notes forming part of the financial statements for the year ended 31 March, 2023

20. Share Capital

Authorized Share Capital

Particulars	Equity Shares	
	(No. in Lakhs)	(₹ in Lakhs)
At 1 April 2021	2,500	25,000
Increase/(decrease) during the year	–	–
At 31 March 2022	2,500	25,000
Increase/(decrease) during the year	–	–
At 31 March 2023	2,500	25,000

Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Issued, Subscribed & Paid-up	(No. in Lakhs)	(₹ in Lakhs)
Equity Shares of INR 10 each issued, subscribed and fully paid		
At 1 April 2021	1,445	14,450
Change during the year	–	–
At 31 March 2022	1,445	14,450
Changes during the year	–	–
At 31 March 2023	1,445	14,450

Shares held by holding/ultimate holding company and/or their subsidiaries/associates/Promoters

Out of equity shares issued by the Company, shares held by its holding company, ultimate holding company and their subsidiaries/associates are as below:

	31 March 2023	31 March 2022
	(₹ in Lakhs)	(₹ in Lakhs)
Axis Bank Limited, the holding company and its nominees	14,450	14,450
1,445 Lacs (31 March 2021:1,445 Lacs)equity shares of ₹10/- each		

Details of shareholders holding more than 5% shares in the Company

Name of the Shareholder	31 March 2023		31 March 2022	
	Nos. in Lakhs	%	Nos. in Lakhs	%
Axis Bank Limited, the holding company and its nominees	1445	100.00	1445	100.00

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

Notes forming part of the financial statements for the year ended 31 March, 2023

Shares held by promoters at the end of the year	31 March 2023	31 March 2022
Promoters name	Axis Bank Ltd	Axis Bank Ltd
No. of shares (In Lakhs) Paid-up Equity Share Capital	1,445.00	1,445.00
% of Total shares	100.00	100.00
% of Changes during the year	–	–

22. Other Equity

Particulars	31 March 2023 (₹ in Lakhs)	31 March 2022 (₹ in Lakhs)
Capital Reserve		
Opening balance	4	4
Add : Additions during the year (net)	–	–
Closing balance	4	4
Securities premium		
Opening balance	1,525	1,525
Add : Additions during the year (net)	–	–
Closing balance	1,525	1,525
General reserve		
Opening balance	4,660	4,061
Add : Additions during the year (net)	89	599
Closing balance	4,749	4,660
Deemed Equity		
Opening balance	241	751
Add : Additions / Transfer during the year (net)	(59)	(510)
Closing balance	182	241
Retained Earnings		
Opening balance	63,920	27,319
Add / (Less): Other comprehensive income for the year	(2,445)	13,688
Add: Profit after tax for the year	20,091	22,913
Additions/ (Deletions) during the year	–	–
	81,566	63,290
Other Comprehensive Income		
Opening balance	–	99
Add : Additions during the year (net)	–	(99)
Closing balance	–	–
Total	88,026	70,350

Capital reserve

Capital reserve is created by capital profits of the company which is not kept for distribution to the shareholders in the form of dividend. This is included in the retained earning statements.

Notes forming part of the financial statements for the year ended 31 March, 2023

Securities premium reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purpose such as issuance of bonus shares in accordance with the provisions of Companies Act 2013.

General reserve

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid up capital of the company for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to general reserve can be utilised only in accordance with the specific requirements of Companies Act 2013.

Deemed Equity

Deemed equity relates to share options granted to eligible employees of the Company by the holding company under its employee share option plan.

23. Brokerage and Fee Income

Particulars	31 March 2023 (₹ in Lakhs)	31 March 2022 (₹ in Lakhs)
Brokerage Income	35,075	39,081
Fee Income	2,892	2,391
Depository Income	7,888	8,361
Total	45,855	49,833

24. Interest Income

Particulars	31 March 2023 (₹ in Lakhs)	31 March 2022 (₹ in Lakhs)
On Financial Assets measured at Amortised Cost		
Interest on loans	21,533	13,636
Interest on fixed deposits with banks	3,677	1,949
Interest on Security deposits	31	23
Total	25,261	15,608

25. Net gain / (loss) on fair value changes

Particulars	31 March 2023 (₹ in Lakhs)	31 March 2022 (₹ in Lakhs)
Investments		
Profit on trading - Securities held for trading (net) (fair value through P & L)	684	559
Total	684	559
Fair value changes		
Realised	674	559
Unrealised	10	-

Notes forming part of the financial statements for the year ended 31 March, 2023

26. Dividend Income

Particulars	31 March 2023 (₹ in Lakhs)	31 March 2022 (₹ in Lakhs)
Dividend Income on investments	–	177
Total	–	177

27. Other Income

Particulars	31 March 2023 (₹ in Lakhs)	31 March 2022 (₹ in Lakhs)
Profit on sale of investments (fair value through P & L)	64	57
Miscellaneous income & interest on income tax refund	733	129
Total	797	186

28. Finance Cost

Particulars	31 March 2023 (₹ in Lakhs)	31 March 2022 (₹ in Lakhs)
Bank guarantee commission	276	181
Interest on debt securities	7,212	3,034
Interest on borrowing other than debt securities	1,184	244
Interest expenses on lease liabilities	530	410
Total	9,202	3,869

29. Impairment on financial instruments

Particulars	31 March 2023 (₹ in Lakhs)	31 March 2022 (₹ in Lakhs)
On Financial Instruments measured at Amortised cost		
Loans	177	352
Trade & Other Receivable	(364)	1,411
Bad Debts	1,107	87
Total	920	1,850

30. Employee benefits expense

Particulars	31 March 2023 (₹ in Lakhs)	31 March 2022 (₹ in Lakhs)
Salaries, wages and bonus	17,864	15,634
Contribution to provident and other funds	750	592
Share based payments to employees	571	356
Staff welfare expenses	223	181
Gratuity expense	138	138
Total	19,546	16,901

Notes forming part of the financial statements for the year ended 31 March, 2023

31. Depreciation, Amortization and Impairment expense

Particulars	31 March 2023 (₹ in Lakhs)	31 March 2022 (₹ in Lakhs)
Depreciation on Property, plant and equipment	1,412	1,096
Amortization of other intangible assets	636	646
Impairment of Property, plant and equipment	(2)	(143)
Amortization of right-of-use assets	947	715
Total	2,993	2,314

32. Other expenses

Particulars	31 March 2023 (₹ in Lakhs)	31 March 2022 (₹ in Lakhs)
Rent (premises)	21	72
Stamp, registration, KRA and exchange charges	173	152
Franking charges	457	353
Acquisition Expense	–	1,174
Advertisement and sales promotion	1,574	1,227
Account referral charges	1,128	636
Rates and taxes	48	48
Insurance	7	8
Housekeeping expenses	250	273
Security charges	41	50
Repair and maintenance- others	326	156
Travelling and conveyance	497	380
Communication cost	1,003	990
Call center cost	139	172
Information technology expenses	2,436	1,533
Loss on sale of fixed assets	98	143
Printing & stationery	205	244
Legal and professional fees	693	737
Royalty charges	102	97
Director's sitting fees	49	22
Auditors' remuneration :		
- Audit fee	32	29
- Out of pocket expenses	1	–
- Limited review audit fees	8	8
- Certification	1	1
Expense towards Corporate Social Responsibility (Note 43)	384	257
Electricity and water charges	278	203
Office expenses	86	63
Membership & subscription fees	104	146
Recruitment and training expenses	145	172
Miscellaneous expenses	172	74
Sub brokerage	1,902	625
Transaction Charges	357	556
Total	12,717	10,601

Notes forming part of the financial statements for the year ended 31 March, 2023

(Currency : Indian Rupees in Lakhs)

33. FINANCIAL INSTRUMENTS

A Financial Instruments - Fair Values

1 Accounting classification and fair values

The following table shows the carrying amounts of financial instruments as at March 31, 2022 which are classified as Amortised cost, Fair value through profit and loss, Fair value through other comprehensive Income:

Particulars	At Amortised Cost	At Fair Value through Profit or Loss	At Fair value through OCI	Total carrying value	Total Fair Value
Financial Assets					
1 Cash and cash equivalents	25,573	–	–	25,573	25,573
2 Other Bank balances	82,451	–	–	82,451	82,451
3 Securities for trade	–	3,310	–	3,310	3,310
4 Trade receivables	22,902	–	–	22,902	22,902
5 Loans	1,49,778	–	–	1,49,778	1,49,778
6 Investments	–	–	20,942	20,942	20,942
7 Other financial assets	1,775	–	–	1,775	1,775
Total	2,82,479	3,310	20,942	3,06,731	3,06,731
Financial Liabilities					
1 Trade payables	35,045	–	–	35,045	35,045
2 Debt Securities	1,28,280	–	–	1,28,280	1,28,280
3 Borrowing (other than debt securities)	12,503	–	–	12,503	12,503
4 Lease Liabilities	5,452	–	–	5,452	5,452
5 Other financial liabilities	24,511	–	–	24,511	24,511
Total	2,05,791	–	–	2,05,791	2,05,791

The following table shows the carrying amounts of financial instruments as at March 31, 2022 which are classified as Amortised cost, Fair value through profit and loss, Fair value through other comprehensive Income:

	At Amortised Cost	At Fair Value through Profit or Loss	At Fair value through OCI	Total carrying value	Total Fair Value
Financial Assets					
1 Cash and cash equivalents	35,147	–	–	35,147	35,147
2 Other Bank balances	43,209	–	–	43,209	43,209
3 Trade receivables	16,417	–	–	16,417	16,417
4 Loans	1,14,489	–	–	1,14,489	1,14,489
5 Investments	–	–	24,221	24,221	24,221
6 Other financial assets	25,746	–	–	25,746	25,746
Total	2,35,008	–	24,221	2,59,229	2,59,229

Notes forming part of the financial statements for the year ended 31 March, 2023

(Currency : Indian Rupees in Lakhs)

Financial Liabilities

1 Trade payables	28,038	–	–	28,038	28,038
2 Debt Securities	98,249	–	–	98,249	98,249
3 Borrowing (other than debt securities)	–	–	–	–	–
4 Lease Liabilities	5,724	–	–	5,724	5,724
5 Other financial liabilities	42,126	–	–	42,126	42,126
Total	1,74,137	–	–	1,74,137	1,74,137

2 Fair value hierarchy of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price), regardless of whether that price is directly observable or estimated using a valuation technique.

The investments included in level 1 of fair value hierarchy have been valued using quoted prices for instruments in an active market. The investments included in level 2 of fair value hierarchy have been valued using valuation techniques based on observable market data. The investments included in Level 3 of fair value hierarchy have been valued using the income approach and break-up value to arrive at their fair value. There is no movement from between Level 1, Level 2 and Level 3. There is no change in Inputs use for measuring Level 3 fair value.

The following table summarises financial instruments measured at fair value on recurring basis:

31 March 2023	Level 1	Level 2	Level 3	Total
Financial Instruments				
Investment in Equity Shares	–	–	20,942	20,942
31 March 2022	Level 1	Level 2	Level 3	Total
Financial Instruments				
Investment in Equity Shares	–	–	24,221	24,221

Movements in Level 3 financial instruments measured at fair value.

The Following table shows a reconciliation of the opening and closing amounts of Level 3 financial assets and liabilities which are recorded at fair value.

Particulars	31 March 2023	31 March 2022
Opening Balance	24,221	6,046
Purchase	–	–
Less : Sales	–	–
Add : Gain /(Loss)	(3,279)	18,175
Transfer in Level	–	–
Less : Transfer from Level	–	–
Closing Balance	20,942	24,221

Notes forming part of the financial statements for the year ended 31 March, 2023

(Currency : Indian Rupees in Lakhs)

Unobservable inputs used in measuring fair value categorised within Level 3 and sensitivity of fair value measurement to change in unobservable market data.

As at 31st March, 2023

Types of Financial Instruments	Valuation technique	Significant unobservable input	Range of estimates for unobservable input
Investment in unquoted equity shares categorised at Level 3	Net Asset Method	Net Asset value per share	Rs 18.35 per Share
	Comparable Companies Method	Embedded Value	Rs. 155,470

Types of Financial Instruments	Increase in unobservable input	Change in fair value to increase in unobservable input	Decrease in unobservable input	Change in fair value to decrease in unobservable input
Investment in unquoted equity shares categorised at Level 3	5%	Rs. 176 Lakhs	5%	Rs. (176) Lakhs
	5%	Rs. 115 Lakhs	5%	Rs. 104 Lakhs

As at 31st March, 2022

Types of Financial Instruments	Valuation technique	Significant unobservable input	Range of estimates for unobservable input
Investment in unquoted equity shares categorised at Level 3	Net Asset Method	Net Asset value per share	Rs 15.97 per Share
	Comparable Companies Method	Embedded Value	33.33%
		Revenue	33.33%
		Book Value	33.33%

Notes forming part of the financial statements for the year ended 31 March, 2023

(Currency : Indian Rupees in Lakhs)

Types of Financial Instruments	Increase in unobservable input	Change in fair value to increase in unobservable input	Decrease in unobservable input	Change in fair value to decrease in unobservable input
Investment in unquoted equity shares categorised at Level 3	5%	Rs. 153 Lakhs	5%	Rs. (153) Lakhs
	5%	Rs. 455 Lakhs	5%	Rs. (455) Lakhs
	5%	Rs. 429 Lakhs	5%	Rs. (429) Lakhs
	5%	Rs. 328 Lakhs	5%	Rs. (328) Lakhs

Valuation Principal

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principle (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether the price is directly observable or estimated using a valuation technique. In order to show how fair values have been derived, financial instruments are classified based on hierarchy of valuation techniques, as explained in the note 2.1(II).

	31 March 2023	31 March 2022
The fair value of shares on Margin Pledge and Withhold	4,97,295	3,66,164

Note: The above collaterals are held from the broking clients, for positions in equity segments.

3 Financial instruments not measured at fair value

Financial assets not measured at fair value includes cash and cash equivalents, trade receivables, loans and other financial assets. These are financial assets whose carrying amounts approximate fair value, due to their short-term nature.

Additionally, financial liabilities such as trade payables and other financial liabilities are not measured at FVTPL, whose carrying amounts approximate fair value, because of their short-term nature.

B Financial risk management

The Company has established a comprehensive system for risk management and internal controls for all its businesses to manage the risks that it is exposed to. The objective of its risk management framework is to ensure that various risks are identified, measured and mitigated and also that policies, procedures and standards are established to address these risks and

Notes forming part of the financial statements for the year ended 31 March, 2023

(Currency : Indian Rupees in Lakhs)

ensure a systematic response in the case of crystallisation of such risks. Company has operations in India. Whilst risk is inherent in the Company's activities, it is managed through an integrated risk management framework, including ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Company's continuing profitability and each individual within the Company is accountable for the risk exposures relating to his or her responsibilities.

The Company has exposure to the following risk arising from financial instruments:

- a) Credit Risk
- b) Liquidity Risk
- c) Market Risk

a) Credit risk

It is risk of financial loss that the Company will incur a loss because its customer or counterparty to financial instruments fails to meet its contractual obligation.

The Company's financial assets comprise of Cash and bank balance, Securities for trade, Trade receivables, Loans, Investments and Other financial assets which comprise mainly of margin money with clearing member deposits and accrued revenues.

The management has established accounts receivable policy under which customer accounts are regularly monitored. The Company has a dedicated risk management team, which monitors the positions, exposures and margins on a continuous basis.

The maximum exposure to credit risk at the reporting date is primarily from Company's trade receivable and loans.

Following provides exposure to credit risk for trade receivables and loans:

Particulars	31 March 2023 (₹ in Lakhs)	31 March 2022 (₹ in Lakhs)
Trade and other receivables (net of impairment)	22,902	16,417
Loans (net of impairment)	1,49,778	1,14,489
Total	1,72,680	1,30,906

Trade receivable

The Company has followed simplified method of ECL in case of Trade receivables and the Company recognises lifetime expected losses for all trade receivables that do not constitute a financing transaction. At each reporting date, the Company assesses the impairment requirements.

Based on the industry practices and business environment in which the entity operates, management considers that the trade receivables are in default if the payment is 90 days overdue.

Notes forming part of the financial statements for the year ended 31 March, 2023

(Currency : Indian Rupees in Lakhs)

The Company follows below probability of default percentage for ECL provision on trade receivables

- 1) Overdue for more than 90 days but less than 180 days - Probability of default (PD) is considered as 50% of the balance is credit impaired.
- 2) Overdue for more than 180 days - PD is considered as 100% of the balance is credit impaired.

Following table provides information about exposure to credit risk and ECL on Trade receivables

Ageing of Trade receivable	0-90 days	91-180 days	More than 180 days	Total
As at 31st March 2023				
Carrying Value	22,603	598	1,691	24,892
ECL	–	(299)	(1,691)	(1,990)
Net Value	22,603	299	–	22,902
As at 31st March 2022				
Carrying Value	16,283	268	2,270	18,821
ECL	–	(134)	(2,270)	(2,404)
Net Value	16,283	134	–	16,417

Loans

Loans comprise of margin trade funding for which a staged approach is followed for determination of ECL.

The Company assesses allowance for expected credit losses for loans. The ECL allowance is assessed based on the 12 months expected credit loss. ECL is calculated on collective basis for loans. The Company has not experienced any loss on its loan portfolio historically. Accordingly the Company has applied 0.50% of ECL on the entire loan portfolio.

Following table provides information about exposure to credit risk and ECL on Loan

Ageing of Loans	0-90 days	91-180 days	More than 180 days	Total
As at 31st March 2023				
Carrying Value	1,10,096	33,302	7,132	1,50,532
ECL	(549)	(167)	(36)	(752)
Net Value	1,09,547	33,135	7,096	1,49,778

Notes forming part of the financial statements for the year ended 31 March, 2023

(Currency : Indian Rupees in Lakhs)

As at 31st March 2022

Carrying Value	1,00,429	12,335	2,300	1,15,064
ECL	(501)	(62)	(12)	(575)
Net Value	99,928	12,273	2,288	1,14,489

Movements in the allowances for impairment in respect of trade receivables and loans is as follows:

Particulars	Carrying amount 31-Mar-2023	Carrying amount 31-Mar-2022
Opening balance	2,979	1,342
ECL Provision recognised/(reversed)	(237)	1,637
Closing Balance	2,742	2,979

Collateral held

The Company holds collateral and other credit enhancements against certain of its credit exposures. The following tables sets out the principal types of collateral held against different types of financial assets.

Instrument Types	Percentage of Exposure that is subject to collateral requirement		Principal type of collateral held
	As at March 31, 2023	As at March 31, 2022	
Trade receivables and Loans	90%	91%	Equity Shares

b) Liquidity risk

Liquidity represents the ability of the Company to generate sufficient cash flow to meet its financial obligations on time, both in normal and in stressed conditions, without having to liquidate assets or raise funds at unfavorable terms thus compromising its earnings and capital.

Prudent liquidity risk management requires sufficient cash and marketable securities and availability of funds through adequate committed credit facilities to meet obligations when due and to close out market positions.

The Company aims to maintain the level of its cash and cash equivalents and other highly marketable investments in the form of bank deposits at an amount in excess of expected cash outflow on financial liabilities.

Funds required for short period is taken care by borrowings through issuing Commercial paper and utilising overdraft facility from Sanctioned credit lines from Axis Bank and Other Financial institution.

Notes forming part of the financial statements for the year ended 31 March, 2023

(Currency : Indian Rupees in Lakhs)

The following are the remaining contractual maturities of financial asset & liabilities as on 31 March 2023.

Particulars	Less than 6 Months	6 to 12 Month	1 to 5 years	More than 5 years	Total Carrying Value
Financial assets					
Cash and cash equivalents	25,573	–	–	–	25,573
Other balance with Bank	61,875	16,272	4,304	–	82,451
Securities for trade	3,310	–	–	–	3,310
Trade Receivables	22,902	–	–	–	22,902
Loans	1,42,681	6,901	196	–	1,49,778
Investments	–	–	–	20,942	20,942
Other financial assets	787	–	988	–	1,775
Total	2,57,128	23,173	5,488	20,942	3,06,731
Financial liabilities					
Trade payables	34,788	–	257	–	35,045
Debt Securities	1,28,280	–	–	–	1,28,280
Borrowing (other than debt securities)	12,503	–	–	–	12,503
Lease Liabilities	245	377	3,239	1,591	5,452
Other financial liabilities	24,216	32	263	–	24,511
Total	2,00,032	409	3,759	1,591	2,05,791
Net excess / (shortfall)	57,096	22,764	1,729	19,351	1,00,940

The following are the remaining contractual maturities of financial asset & liabilities as on 31 March 2022.

Particulars	Less than 6 Months	6 to 12 Month	1 to 5 year	More than 5 years	Total Carrying Value
Financial assets					
Cash and cash equivalents	35,147	–	–	–	35,147
Other balance with Bank	41,811	108	1,290	–	43,209
Trade Receivables	16,417	–	–	–	16,417
Loans	1,14,489	–	–	–	1,14,489
Investments	–	–	–	24,221	24,221
Other financial assets	614	–	25,132	–	25,746
Total	2,08,478	108	26,422	24,221	2,59,229

Notes forming part of the financial statements for the year ended 31 March, 2023

(Currency : Indian Rupees in Lakhs)

Financial liabilities					
Trade payables	3,557	–	24,481	–	28,038
Debt Securities	98,249	–	–	–	98,249
Borrowing (other than debt securities)	–	–	–	–	–
Lease Liabilities	289	304	2,903	2,228	5,724
Other financial liabilities	41,975	–	151	–	42,126
Total	1,44,070	304	27,535	2,228	1,74,137
Net excess / (shortfall)	64,408	(196)	(1,113)	21,993	85,092

c) Market risk

Market risk is the risk that the fair value or future Cash flows of a financial instrument will fluctuate because of changes in market prices. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

i Foreign currency risk

The Company does not have any foreign currency exposure as at each reporting date. Accordingly, foreign currency risk disclosure is not applicable.

ii Interest rate risk

The Company is exposed to Interest risk if the fair value or future cash flows of its financial instruments will fluctuate as a result of changes in market interest rates. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates.

The Company's interest rate risk arises from interest bearing deposits with bank and loans given to customers. Such instruments exposes the Company to fair value interest rate risk. Management believes that the interest rate risk attached to this financial assets are not significant due to the nature of this financial assets. All the borrowings of the company are fixed interest rate bearing instrument and hence there is no impact of movement in interest rate.

iii Market price risk

The Company is exposed to market price risk, which arises from FVTPL investment in debt securities. The management monitors the proportion of debt securities investments in its investment portfolio based on market indices. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the appropriate authority.

34. MATURITY ANALYSIS

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

Notes forming part of the financial statements for the year ended 31 March, 2023
(Currency : Indian Rupees in Lakhs)

ASSETS	As at 31 March 2023	Within 12 month	After 12 month
Financial assets			
Cash and cash equivalents	25,573	25,573	–
Bank balance other than Cash and cash equivalents	82,451	78,147	4,304
Securities for trade	3,310	3,310	–
Receivables			
Trade receivables	22,902	22,902	–
Loans	1,49,778	1,49,582	196
Investments	20,942	–	20,942
Other financial assets	1,775	787	988
Total Financial assets	3,06,731	2,80,301	26,430
Non –Financial assets			
Current tax assets (net)	1,186	–	1,186
Property, plant and equipment	4,038	–	4,038
Right-of-use-asset	4,907	–	4,907
Capital work-in-progress	–	–	–
Intangible assets under development	59	–	59
Other intangible assets	1,586	–	1,586
Other non-financial assets	1,383	413	970
Total Non-Financials assets	13,159	413	12,746
Total Assets	3,19,890	2,80,714	39,176
LIABILITIES			
Financial liabilities			
Payables			
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	35,045	34,788	257
Debt Securities	1,28,280	1,28,280	–
Borrowing (other than debt securities)	12,503	12,503	–
Lease Liabilities	5,452	622	4,830
Other financial liabilities	24,511	24,248	263
Total Financials liabilities	2,05,791	2,00,441	5,350

Notes forming part of the financial statements for the year ended 31 March, 2023

(Currency : Indian Rupees in Lakhs)

Non –Financial liabilities

Current tax liabilities (net)	56	–	56
Provisions	6,271	5,795	476
Deferred tax liabilities	2,493	–	2,493
Other non–financial liabilities	2,803	1,663	1,140
Total Non–Financials liabilities	11,623	7,458	4,165
Total Liabilities	2,17,414	2,07,899	9,515
Net	1,02,476	72,815	29,661

ASSETS	As at 31 March 2022	Within 12 month	After 12 month
Financial assets			
Cash and cash equivalents	35,147	35,147	–
Bank balance other than Cash and cash equivalents	43,209	41,129	1,290
Receivables			
Trade receivables	16,417	16,417	–
Loans	1,14,489	1,14,489	–
Investments	24,221	–	24,221
Other financial assets	25,746	614	25,132
Total Financial assets	2,59,229	2,08,586	50,643
Non –Financial assets			
Current tax assets (net)	1,181	–	1,181
Property, plant and equipment	3,267	–	3,267
Right-of-use-asset	5,376	–	5,376
Capital work-in-progress	17	–	17
Intangible assets under development	42	–	42
Other intangible assets	1,461	–	1,461
Other non–financial assets	1,452	750	702
Total Non–Financials assets	12,796	750	12,046
Total Assets	2,72,025	2,09,336	62,689

LIABILITIES

Financial liabilities

Payables			
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	28,038	3,557	24,481

Notes forming part of the financial statements for the year ended 31 March, 2023

(Currency : Indian Rupees in Lakhs)

Debt Securities	98,249	98,249	–
Borrowing (other than debt securities)	–	–	–
Lease Liabilities	5,724	593	5,131
Other financial liabilities	42,126	41,975	151
Total Financials liabilities	1,74,137	1,44,374	29,763
Non –Financial liabilities			
Current tax liabilities (net)	56	–	56
Provisions	6,285	5,834	451
Deferred tax liabilities	3,404	–	3,404
Other non–financial liabilities	3,343	2,055	1,288
Total Non–Financials liabilities	13,088	7,889	5,199
Total Liabilities	1,87,225	1,52,263	34,962
Net	84,800	57,073	27,727

35. EARNING PER SHARE

The computation of basic and diluted earnings per share is given below:

Particulars	For the year ended 31 March	
	2023	2022
a) Net Profit after tax	20,091	22,913
b) Weighted average nos. of equity shares outstanding for basic & diluted EPS (nos. in lakhs)	1,445	1,445
c) Nominal value of equity shares (₹)	10.00	10.00
d) Basic and diluted earnings per share (EPS) (₹)	13.90	15.86

36. INCOME TAXES

(a) The major components of income tax expense for the year are as under:

Particulars	For the year ended 31 March	
	2023	2022
I. Profit or Loss section		
(i) Current income tax:		
Current income tax expense	7,242	8,373
Tax expense in respect of earlier years	(25)	72
(ii) Deferred tax:		
Tax expense on origination and reversal of temporary differences	(89)	(530)
Income tax expense reported in Profit or Loss (i + ii)	7,128	7,915

Notes forming part of the financial statements for the year ended 31 March, 2023

(Currency : Indian Rupees in Lakhs)

II	Other Comprehensive Income (OCI) section:	For the year ended 31 March	
		2023	2022
(i)	Income tax relating to items that will not be reclassified to profit or loss		
	Tax on re-measurement of defined benefit plans and Fair Value gain on equity shares	(822)	4,571
(ii)	Income tax relating to items that will be reclassified to profit or loss	–	–
	Income tax expense reported in the OCI section	(822)	4,571

(b) Reconciliation of tax expense and the accounting profit for the year is as under:

A reconciliation of income tax provision to the amount computed by applying statutory income tax rate to the income before taxes is summarised below:

Particulars	For the year ended 31 March	
	2023	2022
a) Profit before tax	27,219	30,828
(b) Enacted tax rate in India	25.17%	25.17%
(c) Income tax expenses calculated (c) = (a) * (b)	6,850	7,759
(d) Reconciliation items		
(i) Tax expense in respect of earlier years	(25)	72
(ii) Tax on expenses not tax deductible	303	84
(iii) Impact of change in tax rate	–	–
(iii) Other items	–	–
Total effect of tax adjustments [(i) to (iii)]	278	156
(e) Tax expense recognised during the year (e)=(c)+(d)	7,128	7,915
(f) Effective tax rate (f)=(e)/(a)	26.19%	25.67%

(c) The movement of deferred taxes assets and liabilities for the year is as under:

Particulars	As at March 31, 2022	Recognised in profit or Loss	Recognised in OCI	As at March 31, 2023
Deferred tax asset/ (liabilities)				
i) Property, plant and equipment and intangible assets	162	81	–	243
ii) Provision for expected credit losses	832	(54)	–	778
iii) Provision for post-retirement benefit	29	–	(4)	25
iv) Leases Transaction	148	62	–	210
v) Fair value on strategic equity securities	(4,575)	–	826	(3,749)
Total	(3,404)	89	822	(2,493)

Notes forming part of the financial statements for the year ended 31 March, 2023

(Currency : Indian Rupees in Lakhs)

Movement in Deferred Taxes assets and liabilities as at March 31, 2022

Particulars	As at March 31 2021	Recognised in profit or Loss	Recognised in OCI	As at March 31 2022
Deferred tax asset/ (liabilities)				
i) Property, plant and equipment and intangible assets	154	8	–	162
ii) Provision for expected credit losses	388	444	–	832
iii) Provision for post-retirement benefit	25	–	4	29
iv) Leases Transaction	70	78	–	148
v) Fair value on strategic equity securities	–	–	(4,575)	(4,575)
Total	637	530	(4,571)	(3,404)

37. CONTINGENT LIABILITY :

Contingent Liabilities shall be classified as (to the extent not provided for):

Particulars	Notes	31 March 2023	31 March 2022
a) Claims against the Company not acknowledge as debt	1	–	–
b) Disputed direct tax matters under appeal	2	527	527
c) Bank Guarantee	3	55,470	30,633
		55,997	31,160

Note 1

The claims which are in dispute with the clients and where settlements are still pending and not provided in the books of accounts has been contingent for the Company.

Note 2

The statutory dues which are in dispute and where settlements are still pending and not provided in the books of accounts has been contingent for the Company. The Company is contesting the demands and the management believes that its position will likely be upheld in the appellate process. No provision has been accrued in the financial statements for the demand raised. The management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the Company's financial position and results of operations.

Note 3

Bank Guarantee are being taken from banks and kept with exchanges as a margin to meet the margin obligation.

38. CAPITAL COMMITMENTS

As at 31 March 2023 the Company has contracts remaining to be executed on capital account and not provided for. The estimated amount of contracts (net of advances) towards property, plant and equipment is ₹ 295 lakhs (previous year - ₹ 304 lakhs).

Notes forming part of the financial statements for the year ended 31 March, 2023

(Currency : Indian Rupees in Lakhs)

39. FOREIGN CURRENCY TRANSACTION:

Expenditure in foreign currency (accrual basis)

Particulars	31 March 2023	31 March 2022
Subscription charges	24	14
Training Expenses	–	8
	24	22

39A MAINTENANCE OF ELECTRONIC BOOKS OF ACCOUNTS

The Company has complied with the Rule 3 of Companies (Accounts) Rules, 2014 amended on August 5, 2022 relating to maintenance of electronic books of account and other relevant books and papers. The Company's books of accounts and relevant books and papers are accessible in India at all times and backup of accounts and other relevant books and papers are maintained in electronic mode within India and kept in servers physically located in India on daily basis.

40. EMPLOYEE BENEFITS

Particulars	For the year ended 31 March	
	2023	2022
A. Defined contribution plans		
The Employee provident fund scheme of the company is administered by Office of the Regional Provident Fund, Commissioner. The Employee State Insurance Scheme ("ESIC") is a contributory scheme providing medical, sickness, maternity, and disability benefits to the insured employees under the Employees State Insurance Act, 1948. Company's contribution to provident fund & ESIC	750	592

B. Defined Benefit Plan

Gratuity

Governance of the Plan

The Company has setup an income tax approved irrevocable trust fund to finance the plan liability. The trustees of the trust fund are responsible for the overall governance of the plan.

Funding arrangement and policy

The money contributed by the Company to the fund to finance the liabilities of the plan has to be invested. The trustees of the plan have outsourced the investment management of the fund to an insurance company. The insurance company in turn manages these funds as per the mandate provided to them by the trustees and the asset allocation which is within the permissible limits prescribed in the insurance regulations. Due to the restrictions in the type of investments that can be held by the fund, it is not possible to explicitly follow an asset-liability matching strategy to manage risk actively. There is no

Notes forming part of the financial statements for the year ended 31 March, 2023

(Currency : Indian Rupees in Lakhs)

compulsion on the part of the Company to fully pre fund the liability of the Plan. The Company's philosophy is to fund the benefits based on its own liquidity and tax position as well as level of under funding of the plan. The expected contribution payable to the plan next year is INR 15,000,000.

- a) The following table summarises the components of net expenses for gratuity benefits recognised in the statement of profit and loss, other comprehensive income and the amounts recognised in the balance sheet.

Particulars	For the year ended 31 March	
	2023	2022
Reconciliation of defined benefit obligations (DBO):		
Change in Defined Benefit Obligation		
Defined benefit obligation, beginning of the year	531	415
Current service cost	135	131
Past Service Cost	–	–
Interest cost	25	26
Remeasurements (gains) / losses		
Actuarial (gains) / losses :-		
arising from changes in financial assumptions	(51)	28
arising from changes in demographic assumptions	1	(84)
arising from changes in experience adjustments	45	71
Benefits paid from plan assets	(64)	(78)
Liabilities assumed and settled	–	22
Defined benefit obligation, end of the year	622	531
Change in plan assets:		
Fair value of plan assets, beginning of the year	380	217
Employer contributions	150	200
Interest on plan assets	22	19
Remeasurements gains / (losses)		
Return on plan assets, (excluding amount included in net Interest expense)	7	–
Benefits paid	(63)	(78)
Assets acquired / settled	–	22
Fair value of plan assets, end of the year	496	380

- b) Amount recognized in the balance sheet consists of:

Balance Sheet	For the year ended 31 March	
	2023	2022
Amount recognized in the balance sheet consists of:		
Present value of defined benefit obligation	622	531
Fair value of plan assets	496	380
Net liability	126	151

Notes forming part of the financial statements for the year ended 31 March, 2023

(Currency : Indian Rupees in Lakhs)

c) The amounts recognised in the Statement of Profit and Loss are as follows:

		For the year ended 31 March	
		2023	2022
Service Cost			
Current service cost		135	131
Total Service cost	(i)	135	131
Net interest cost			
Interest expense on DBO		25	26
Interest (income) on plan assets		(22)	(19)
Total Interest cost	(ii)	3	7
Remeasurements of Other Long term benefits			
		(iii)	(iii)
		-	-
Defined benefit cost included in Statement of Profit & Loss	(iv) = (i+ii+iii)	138	138

Statement of Other Comprehensive Income		For the year ended 31 March	
		2023	2022
Opening amount recognized in OCI outside profit and loss account			
		(i)	(i)
		114	99
Remeasurements recognised in other comprehensive income (OCI)			
Due to changes in financial assumptions		(ii)	(ii)
		(51)	28
Changes in demographic assumption		(iii)	(iii)
		1	(84)
Due to changes in experience adjustments		(iv)	(iv)
		45	71
Return on plan assets (excl. interest income)		(v)	(v)
		(7)	-
Total remeasurement in other comprehensive income (OCI)	(vi) = (ii+iii+iv+v)	(12)	15
Closing amount recognized in OCI outside profit and loss account	(vii) = (i + vi)	102	114

d) Assumptions used for Gratuity

		For the year ended 31 March	
Particulars		2023	2022
Discount rate		7.25% p.a.	5.40% p.a.
Salary increase rate		8.00% p.a.	8.00% p.a.
Estimated rate of return on plan assets		7.00% p.a.	7.00% p.a.

Notes forming part of the financial statements for the year ended 31 March, 2023

(Currency : Indian Rupees in Lakhs)

e) The major categories of plan assets as a percentage of total plan assets are as follows:

	For the year ended 31 March	
	2023	2022
a) Insurer managed funds	496	380

f) Sensitivity Analysis

Gratuity is a lump sum plan and the cost of providing these benefits is typically less sensitive to small changes in demographic assumptions. The key actuarial assumptions to which the benefit obligation results are particularly sensitive to are discount rate and future salary escalation rate. 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 50 basis points.

	For the year ended 31 March			
	2023	2023	2022	2022
	% Rate	Amount	% Rate	Amount
Increase by 50 basis points				
i) Impact of change in discount rate	(2.01%)	610	(1.94%)	520
ii) Impact of change in salary growth rate	2.00%	635	1.93%	540
Decrease by 50 basis points				
i) Impact of change in discount rate	2.09%	635	2.01%	541
ii) Impact of change in salary growth rate	(1.94%)	610	(1.88%)	521

These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analyses.

g) 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 Profiler	Rs. in Lakhs
Expected benefits for year 1	129
Expected benefits for year 2	117
Expected benefits for year 3	119
Expected benefits for year 4	96
Expected benefits for year 5	79
Expected benefits for year 6	63
Expected benefits for year 7	51
Expected benefits for year 8	44
Expected benefits for year 9	35
Expected benefits for year 10 and above	145

The weighted average duration to the payment of these cash flows is 4.11 years.

Notes forming part of the financial statements for the year ended 31 March, 2023

(Currency : Indian Rupees in Lakhs)

The Code on Social Security, 2021 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2021. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Company has assessed the impact of the Code and recorded estimated impact of the same in the financial statements for the year ended 31 March 2023.

41. RELATED PARTY TRANSACTION

Holding Company Axis Bank Limited

Key Management Mr. Gopkumar Bhaskaran (Managing Director & CEO)

Personnel

- Mr. Anand Shaha (Whole Time Director upto 13.10.2022)
- Mr. Babu Rao Busi (Independent Director)
- Ms. Bhumilka Batra (Independent Director)
- Mr. Rajiv Anand (Director)
- Mr. Ravi Narayanan (Director)
- Mr. Jagdish Deepak Saksena (Independent Director)
- Mr. Hemantkumar Patel (Chief Financial Officer)
- Mrs. Komal Manoj Nagdev (Company Secretary from 18.04.2022)

Other related parties where transactions have occurred during the year

Relatives of Key Management Personnel Mrs Hina Hemantkumar Patel (Spouse of Hemantkumar Patel)

Fellow Subsidiaries

- Axis Capital Limited
- Axis Trustee Services Limited
- Axis Mutual Fund Trustee Limited
- Axis Asset Management Company Limited
- Axis Finance Limited
- A. Treds Limited
- Freecharge Payment Technologies Pvt Ltd
- Axis Bank UK Ltd
- Axis Pension Fund Management Limited (from 17.05.2022)

Fellow Associates Max Life Insurance Company Limited

Notes forming part of the financial statements for the year ended 31 March, 2023

(Currency : Indian Rupees in Lakhs)

(₹ in Lakhs)

Transaction/Nature of Relationship	Holding Company	Key Management Personnel	Fellow Subsidiary	Fellow Associates	Grand Total
<u>INCOME:-</u>					
Brokerage income	4	2	188	-	193
	(13)	(1)	(161)	-	(175)
Interest on Fixed Deposits	167	-	-	-	167
	(87)	-	-	-	(87)
Bank Interest	-	-	-	-	-
	(16)	-	-	-	(16)
Other income *	-	-	-	-	-
	-	-	(18)	-	(18)
Commission income	-	-	-	147	147
	-	-	-	(150)	(150)
Dividend Income	-	-	-	-	-
	-	-	-	(177)	(177)
<u>EXPENDITURE:-</u>					
Reimbursement for expenses *	2,305	-	2	-	2,307
	(1,396)	-	-	-	(1,396)
Bank charges & other charges paid	97	-	-	-	97
	(241)	-	-	-	(241)
Salary	-	823	-	-	823
	-	(678)	-	-	(678)
Directors Sitting Fees	-	49	-	-	49
	-	(22)	-	-	(22)
<u>OTHER TRANSACTIONS:-</u>					
Purchase of Securities from	39,228	-	-	-	39,228
	(6,652)	-	-	-	(6,652)
Gratuity re-imburement	-	-	-	-	-
	(5)	-	(2)	-	(7)
Advance Repaid / (Taken)	(3)	-	-	-	(3)
	-	-	-	-	-
Investments	-	-	-	-	-
	-	-	-	(6,046)	(6,046)
<u>RECEIVABLES:-</u>					
Current account	16,701	-	-	-	16,701
	(29,764)	-	-	-	(29,764)

Notes forming part of the financial statements for the year ended 31 March, 2023

(Currency : Indian Rupees in Lakhs)

Fixed deposit balance	5,008	-	-	-	5,008
	(1,673)	-	-	-	(1,673)
Trade receivable *	-	-	-	4	4
	-	-	(22)	(5)	(27)
<u>PAYABLES:-</u>					
Overdraft Bank Balance *	3	-	-	-	3
	-	-	-	-	-
Royalty Charges Payable	24	-	-	-	24
	(23)	-	-	-	(23)
Trade payables *	-	-	-	-	-
	(11)	-	(552)	-	(563)
Other payables	155	-	-	-	155
	(147)	-	-	-	(147)

Notes:

- 1) As the liabilities for gratuity are provided on an actuarial basis for the Company as a whole, the amount pertaining to the directors are not included above.
- 2) Figures in bracket represents corresponding amount of previous year.
- 3)* Amount is less than 1 lakhs

42. LEASES

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as Lessee

The Company's lease asset classes primarily consist of leases for premises. The Company assesses whether a contract contains a lease, at inception of a contract. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases (underlying asset of less than Rs 1,50,000). For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. The Company has recognised Rs.4.50 Lakhs (PY: Rs. 0.60) towards short-term lease and Rs NIL (PY: Rs. Nil) towards low value assets during the year ended March 31, 2023.

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

Notes forming part of the financial statements for the year ended 31 March, 2023

(Currency : Indian Rupees in Lakhs)

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any prepaid lease plus any initial direct costs. They are subsequently measured at cost less accumulated depreciation.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the lease term.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the incremental borrowing rate of the Company. Lease liabilities are re-measured with a corresponding adjustment to the related right of use asset if the Company changes its assessment on whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments of Rs 719 (PY Rs. 505) lakhs have been classified as financing cash flows.

The following is the summary of practical expedients elected on initial application:

- 1) Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
- 2) Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
- 3) Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17. Therefore, contracts that were not identified as lease under Ind AS 17 were not re-assessed.
- 4) Used a single discount rate to a portfolio of leases with reasonably similar characteristics (such as leases with a similar remaining lease term for a similar class of underlying asset in a similar economic environment).
- 5) Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

The details of Right to use Asset of the Company are as follows:

Particulars	For the year ended 31 March	
	2023	2022
Balance at the beginning of the year	5,376	2,647
Addition during the year	1,661	3,662
Deduction during the year	(1,183)	(218)
Depreciation	(947)	(715)
Balance at the end of the year	4,907	5,376

Notes forming part of the financial statements for the year ended 31 March, 2023

(Currency : Indian Rupees in Lakhs)

Following is the movement in lease liabilities for the period:

Particulars	For the year ended 31 March	
	2023	2022
Balance at the beginning of the year	5,724	2,808
Addition during the year	1,583	3,525
Deduction during the year	(1,347)	(307)
Interest Expenses	530	410
Lease payments	(1,038)	(712)
Balance at the end of the year	5,452	5,724

Following is the movement in lease liabilities for the period:

Particulars	For the year ended 31 March	
	2023	2022
Not later than 1 month	(35)	(47)
Later than 1 month not later than 3 months	(71)	(96)
Later than 3 month not later than 1 year	(517)	(450)
Later than 1 year	(4,829)	(5,131)
	(5,452)	(5,724)

43. CORPORATE SOCIAL RESPONSIBILITY (CSR)

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities.

Particulars	For the year ended 31 March	
	2023	2022
a) Gross amount required to be spent during the year	384	257
b) Amount spent during the period on		
(i) Construction/acquisition of any asset	–	–
(ii) On purposes other than (i) above - in cash	384	257
c) Shortfall at the end of the year	–	–
d) Total of the previous year shortfall	–	–
e) Out of the above, contribution made to related party	–	–

44. SEGMENT REPORTING

The Company's operations predominantly related to equity, currency and commodity broking and its related activities business and is the only operating segment of the Company. The Chief Operating Decision Maker (CODM) reviews the operations of the Company as one operating segment. Hence no separate segment information has been furnished herewith.

Notes forming part of the financial statements for the year ended 31 March, 2023

(Currency : Indian Rupees in Lakhs)

The Company operates in one geographic segment namely " Within India" and hence no separate information for geographic segment wise disclosure is required.

45. REVENUE FROM CONTRACT WITH CUSTOMER

The Company derives revenue primarily from the share broking business. Its other major revenue sources are the distribution income and Depository income.

In accordance with Ind AS 115, Revenue from Contracts with Customers, the revenue is accounted in the following manner for each head: -

Disaggregate revenue information

The table below presents disaggregate revenues from contracts with customers for the year ended 31 March 2023 by type of revenue segregated into its operating segments. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of revenue and cash flows are affected by market and other economic factors.

Nature of services

Broking Income : Brokerage income on securities is recognized as per contracted rates at the execution of transactions on behalf of the customers on the trade date.

Distribution Income : Fees earned for the provision of services are recognised over time as the customer simultaneously receives and consumes the benefits, as the services are rendered. These include brokerage fees which is fixed at inception irrespective of number of transaction executed. The revenue for such contracts is recognised on consumption of benefits and the balance unutilized plan value is recognised on maturity/ validity of plan.

Selling commissions/ brokerage generated from primary market operations i.e. procuring subscriptions from investors for public offerings of companies, mutual funds etc. are recorded on determination of the amount due to the company, once the allotment of securities are completed.

Portfolio management fees are recognised when corpus is offered for investment by the customer. Subsequently fees are charged at contracted rates periodically. Further, fees are charged on withdrawal of invested funds before a specified period.

Depository fees are recognized based on completion of the transactions.

Sources of Revenue from Contract with Customers

Particulars	For the year ended 31 March	
	2023	2022
Broking	35,075	39,081
Distribution	2,892	2,407
Interest on Loan	21,553	13,636
Interest Income	3,677	1,933
Depository Income	7,888	8,361
	71,085	65,418

Notes forming part of the financial statements for the year ended 31 March, 2023

(Currency : Indian Rupees in Lakhs)

46. CAPITAL MANAGEMENT

The Company's objective for capital management is to maximise shareholder value, safeguard business continuity and support the growth of the Company. The Company determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are met through equity, operating cash flows generated and short term debt. The Company is not subject to any externally imposed capital requirements.

47. EVENTS AFTER REPORTING DATE

There are no material events after the reporting date that require disclosure in these financial statements.

48. MICRO SMALL AND MEDIUM ENTERPRISES

There are no micro, small and medium enterprises, to which Company owes dues, as at March 31, 2023. This information is required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) that has been determined to the extent such parties have been identified on the basis of information available with the Company. The Company also has not received any claims against interest outstanding amount due to any vendor registered under Micro, Small and Medium Enterprises Development Act, 2006. This has been relied upon by the auditors.

Particulars	For the year ended 31 March	
	2023	2022
The amounts remaining unpaid to any supplier at the end of the year:		
1. Principal amount	–	–
2. Interest amount	–	–
The amounts of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006	–	–
The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year	–	–
The 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 MSMED Act, 2006	–	–
The amount of interest accrued and remaining unpaid at the end of each accounting year	–	–
The 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 enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006	–	–

Notes forming part of the financial statements for the year ended 31 March, 2023

(Currency : Indian Rupees in Lakhs)

49. CHANGE IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

Particulars	April 1, 2022	Cash Flow in Equity	Change in Fair Values	Others*	March 31, 2023
Debt Securities	98,249	30,031	–	–	1,28,280
Particulars	April 1, 2021	Cash Flow in Equity	Change in Fair Values	Others*	March 31, 2022
Debt Securities	37,288	60,961	–	–	98,249

* Includes the effect of accrued but not paid interest on borrowing, amortisation of processing fees etc.

50. INFORMATION AS REQUIRED PURSUANT TO REGULATION 52(4) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURES REQUIREMENTS) REGULATIONS, 2015:

a. Key Financial information

Particulars	For the year ended 31 March	
	2023	2022
Debt Equity Ratio ¹	1.39	1.17
Debt Service Coverage Ratio ²	0.24	0.33
Interest Service Coverage Ratio ³	4.24	10.40
Outstanding redeemable preference shares (quantity and value)	NA	NA
Capital redemption reserve/ Debenture redemption reserve	NA	NA
Net Worth ⁴ (Rs in Lakhs)	1,02,476	84,800
Net Profit after tax (Rs in Lakhs)	20,091	22,913
Earnings Per shares (Basic and Diluted) (in Rs.) (Face Value Rs. 10 per share)	13.90	15.86
Current ratio	1.35	1.37
Long term debt to working capital ratio ⁵	Nil	Nil
Bad debts to account receivable ratio	4.83%	0.53%
Current liability ratio	0.96	0.81
Total debt to total assets ratio	0.45	0.36
Debtors turnover ratio ⁶	0.71	0.90
Inventory turnover ratio	NA	NA
Operating margin ⁷ (%)	37.91%	46.71%
Net profit margin ⁸ (%)	27.98%	34.72%

Notes forming part of the financial statements for the year ended 31 March, 2023

(Currency : Indian Rupees in Lakhs)

- ¹ Debt Equity Ratio = Debt (Borrowings + Accrued Interest) / Equity (Equity share capital + Other Equity)
- ² Debt Service Coverage Ratio = Profit before interest and tax / (Interest expenses (excludes interest costs on leases as per Ind AS 116 on leases) + Principal Repayments)
- ³ Interest Service Coverage Ratio = Profit before interest and tax / Interest expenses (excludes interest costs on leases as per Ind AS 116 on leases)
- ⁴ Net Worth = Equity share capital + Other Equity
- ⁵ Company do not have any long term debt and hence the ratio is Nil
- ⁶ Debtors turnover ratio = Fees and commission Income / Trade receivable
- ⁷ Operating margin = Profit before tax / Total revenue from operation
- ⁸ Net profit margin = Profit after tax / Total revenue from operation

51. SHARE BASED PAYMENTS

Employee Stock Options granted by holding company

During the year, the Axis Bank has issued in 3,29,000 (Previous year: 2,39,000) stock options directly to the employees of the Company. During the year ended March 31, 2022, the Holding Company has decided to recover the cost of options granted as on March 31, 2021 from the Company. Accordingly, the Company has repaid an expense of Rs. 542 Lakhs (previous year Rs. 267 Lakhs) for current financial year to Axis Bank. The options granted in earlier years are recognised in employee cost Rs. 30 Lakhs (Previous year Rs. 89 Lakhs) and correspondence deemed equity investment is created in the reserves and surplus.

The expense recognised for employee services (company's employee) received during the year is shown in the following table:

Particulars	For the year ended 31 March	
	2023	2022
Expense arising from equity-settled share-based payment transactions	30	89
	30	89

52. TRADE RECEIVABLES AGEING

As at 31 March 2023

Particulars	Outstanding from the due date of payment / date of transactions					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	22,902	–	–	–	–	22,902
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–	–

Notes forming part of the financial statements for the year ended 31 March, 2023

(Currency : Indian Rupees in Lakhs)

(iii) Undisputed Trade Receivables – credit impaired	299	1,270	334	10	–	1,913
(iv) Disputed Trade Receivables – considered good	–	–	18	15	44	77
(v) Disputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–	–
(vi) Disputed Trade Receivables – credit impaired	–	–	–	–	–	–
(vii) Unbilled Trade receivables – consider good	–	–	–	–	–	–
	23,201	1,270	352	25	44	24,892

As at 31 March 2022

Particulars	Outstanding from the due date of payment / date of transactions					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	16,417	–	–	–	–	16,417
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–	–
(iii) Undisputed Trade Receivables – credit impaired	134	1,620	561	24	5	2,344
(iv) Disputed Trade Receivables – considered good	–	–	14	25	21	60
(v) Disputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–	–
(vi) Disputed Trade Receivables – credit impaired	–	–	–	–	–	–
(vii) Unbilled Trade receivables – consider good	–	–	–	–	–	–
	16,551	1,620	575	49	26	18,821

53. TRADE PAYABLES AGEING

As at 31 March 2023

Particulars	Outstanding from the due date of payment / date of transactions				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	–	–	–	–	–
(ii) Others	34,885	160	–	–	35,045
(iii) Disputed Dues –MSME	–	–	–	–	–
(iv) Disputed Dues –Others	–	–	–	–	–

Notes forming part of the financial statements for the year ended 31 March, 2023

(Currency : Indian Rupees in Lakhs)

(v) Unbilled Dues –Others	–	–	–	–	–
	34,885	160	–	–	35,045

As at 31 March 2022

Particulars	Outstanding from the due date of payment / date of transactions				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	–	–	–	–	–
(ii) Others	27,945	93	–	–	28,038
(iii) Disputed Dues –MSME	–	–	–	–	–
(iv) Disputed Dues –Others	–	–	–	–	–
(v) Unbilled Dues –Others	–	–	–	–	–
	27,945	93	–	–	28,038

54. Capital-Work-in Progress

a) Capital-Work-in Progress Ageing

As at 31 March 2023

Particulars	Amount in CWIP for the period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Projects in Progress	–	–	–	–	–
(ii) Projects temporarily suspended	–	–	–	–	–
	–	–	–	–	–

As at 31 March 2022

Particulars	Amount in CWIP for the period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Projects in Progress	17	–	–	–	17
(ii) Projects temporarily suspended	–	–	–	–	–
	17	–	–	–	17

b) Capital-Work-in Progress Ageing where completion is overdue or has exceeded its cost compared to its original plan

As at 31 March 2023

Particulars	To be completed in				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Projects in Progress	–	–	–	–	–
(ii) Projects suspended	–	–	–	–	–
	–	–	–	–	–

Notes forming part of the financial statements for the year ended 31 March, 2023

(Currency : Indian Rupees in Lakhs)

As at 31 March 2022

Particulars	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Projects in Progress	-	-	-	-	-
(ii) Projects suspended	-	-	-	-	-
	-	-	-	-	-

c) Intangible Assets under development Ageing

As at 31 March 2023

Particulars	Amount in CWIP for the period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Projects in Progress	53	6	-	-	59
(ii) Projects temporarily suspended	-	-	-	-	-
	53	6	-	-	59

As at 31 March 2022

Particulars	Amount in CWIP for the period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Projects in Progress	22	20	-	-	42
(ii) Projects temporarily suspended	-	-	-	-	-
	22	20	-	-	42

d) Intangible Assets under development Ageing where completion is overdue or has exceeded its cost compared to its original plan

As at 31 March 2023

Particulars	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Projects in Progress	-	-	-	-	-
(ii) Projects temporarily suspended	-	-	-	-	-
	-	-	-	-	-

As at 31 March 2022

Particulars	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Projects in Progress	-	-	-	-	-
(ii) Projects temporarily suspended	-	-	-	-	-
	-	-	-	-	-

Notes forming part of the financial statements for the year ended 31 March, 2023

(Currency : Indian Rupees in Lakhs)

55. Ratio:

Particulars	31st March 2023	31st March 2022
(a) Capital to risk-weighted assets ratio (CRAR)	NA	NA
(b) Tier I CRAR	NA	NA
(c) Tier II CRAR	NA	NA
(d) Liquidity Coverage Ratio	NA	NA

- 56 No loans or advances in the nature of loans are granted to Promoters, Directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person that are repayable on demand or without specifying any terms or period of repayment

57 DETAILS OF BENAMI PROPERTY HELD

The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding Benami Property.

- 58 The quarterly returns filed by the Company for fund based facilities availed from banks on the basis of security of receivables are in agreement with the books of accounts.

59 WILLFUL DEFAULTER

The Company is not declared as willful defaulter by any bank or financial institution or other lender.

60 RELATIONSHIP WITH STRUCK OFF COMPANIES

The Company do not have any transaction with the companies struck off.

61 REGISTRATION OF CHARGE OR SATISFACTION WITH REGISTRAR OF COMPANIES (ROC)

The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

62 COMPLIANCE WITH NUMBER OF LAYERS OF COMPANIES

Since the Company does not have any subsidiary, the provision of Section 2 clause 87 of the Act, read with Companies (Restriction on number of Layer) Rules 2017, is not applicable to the Company.

- 63 There are no Scheme of Arrangements placed before the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013 for approval.

64 UTILISATION OF BORROWED FUNDS AND SHARE PREMIUM

The Company has not advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) to or in any other person or entity, including foreign entity ("intermediaries"), with the understanding, whether recorded in writing or

Notes forming part of the financial statements for the year ended 31 March, 2023

(Currency : Indian Rupees in Lakhs)

otherwise, that the intermediary shall, whether, directly or indirectly lend or invested in other person 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.

The Company has not received any fund (which are material either individually or in the aggregate) from any party(s) (Funding Party(ies)) 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 by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the ultimate Beneficiaries.

65 UNDISCLOSED INCOME

The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

66 CRYPTO CURRENCY OR VIRTUAL CURRENCY

The Company has not traded or invested in Crypto currency or in Virtual currency during the current and previous financial year.

67 PREVIOUS YEAR COMPARATIVES

Previous year figures have been regrouped and reclassified, wherever necessary to conform to current year's presentation.

As per our report of even date

For S.R.Batliboi & Co. LLP

Firm Registration No.: 301003E/E300005

Chartered Accountants

per Viren H. Mehta

Partner

Membership No. : 048749

Place : Mumbai

Date : 14 April 2023

For and on behalf of the Board of Directors

Rajiv Anand

Chairman

DIN No: 02541753

Hemantkumar Patel

Chief Financial Officer

PAN: AGOPP9611N

Gopkumar Bhaskaran

Managing Director & CEO

DIN No: 07223999

Komal Manoj Nagdev

Company Secretary

PAN: AVRPM1256C

